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Evidence of how NATO created a disaster

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*Includes International Press Grid on
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Interview of President Ford*

Also:

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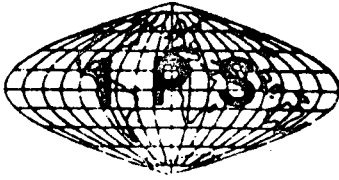
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Rockefeller Escalates Insurrection As Ford-Harriman Vascillate

WASHINGTON, D.C., May 16 (IPS) — Over the past several days, insurrectionary forces under the direction of Vice President Nelson Rockefeller, including Secretary of State Henry Kissinger, the Foreign Intelligence Advisory Board (FIAB), and the National Security Council (NSC) have mounted a campaign which has brought the world to the brink of thermonuclear holocaust. These Rockefeller forces have moved outside the government to issue a barrage of war provocations aimed at the Warsaw Pact, have virtually imprisoned the President of the United States, and launched a drive to destroy both the Republican and Democratic Parties.

Vice President Rockefeller, himself, keynoted the escalation by contradicting stated White House policy in a speech delivered Saturday in Frankfurt West Germany commemorating the U.S. bicentennial. Standing beside Chancellor Helmut Schmidt, who earlier last week identified himself with the policies of Adolf Hitler and Hjalmar Schacht, Rockefeller tore up a State Department authored speech written for the occasion to incredibly call for the reunification of "the two Germans." These revanchist war cries can only be construed by Warsaw Pact forces as a sign the Rockefeller machine is unquestionably committed to war — and thereby close to crossing the Soviet trip wire and triggering a strategic Soviet first strike on the U.S.

Rockefeller's Frankfurt speech followed a week in which both Rockefeller and Kissinger publically assailed Ford peace policies and tightened the political box around Ford by rigging another primary in Nebraska in favor of co-conspirator Ronald Reagan. While orchestrating the Reagan campaign charade Rockefeller ordered close associate, and former Defense Secretary, Melvin Laird to blunt motion swelling in Republican Party ranks for Kissinger's ouster by "persuading" Ford to keep Kissinger on while giving him a low public profile. All evidence indicates that Laird's "persuasion" gambit involves the same tactic used on former President Richard Nixon during Watergate — the activation of Rockefeller's political assassination capacity.

Expanding beyond their assault on the Presidency, Rockefeller forces moved to destroy the Democratic Party last week. Under the cover of a press barrage led by New York Times columnist Leslie Gelb's allegation that the Soviet Union is expressly attempting to influence the U.S. elections through close contact with Jimmy Carter's advisors, Rockefeller and his collaborators deployed NSC operative Sen. Frank Church (D-Idaho) and admitted fascist Governor Jerry Brown to block Jimmy Carter's nomination and send the Democratic Party into chaos.

While Republican layers around Ford and the Harriman wing of the Democratic Party foreign policy establishment

moved to counterattack, their suicidal unwillingness to decisively deal with Kissinger and thereby pull the plug on the Rockefeller operation has given the insane Rockefeller the required maneuvering room. Ford, operating under the extreme threat of assassination, has responded to the motion in Republican quarters to oust Kissinger and move to the conference table at Geneva but has restricted himself to issuing signals throughout the week that a Middle East settlement is possible.

The terrified Harriman faction has fully jumped on the bandwagon of Carter issuing a series of ineffective policy challenges to Rockefeller. Harriman himself incited the drive by blasting the Schlesinger doctrine of regional nuclear warfare in a speech delivered in Washington on May 10.

Rockefeller Forces Seize Government

The suicidal consequences of Ford's Kissinger tactic was demonstrated in a speech Kissinger delivered in Baltimore on May 9. Spitting in the face of White House policy, Kissinger offered military and economic aid to Israel immediately after Ford had vetoed the foreign aid bill, withholding \$500 million in military aid to Israel. Following with a blast aimed at sabotaging Ford's sub rosa Mideast peace policy, Kissinger harped on the "dilemmas and risks" the Israelis face in making territorial concessions. Kissinger then followed a series of Ford appeals for peace in the Middle East by proposing scenarios for expanding the present NSC-orchestrated Lebanese conflict into a full blown regional war to Israel's Ambassador to the U.S. Simcha Dinitz on May 14.

Kissinger's sabotage of Ford's Middle East peace initiatives was followed by Rockefeller's war provocations in West Germany. After boasting on West German television that he is only "a heartbeat away from the Presidency," Rockefeller launched his "holy crusade" against the Soviet Union. Charging the Soviets with organizing "an empire on which the sun never sets," Rockefeller urged the "reunification of West and East Germany." Rockefeller's brazen provocation followed a similar speech he gave in Philadelphia on May 10 and converged with the Rockefeller ordered Schmidt endorsement of Hitler-Schacht economic policies on Tuesday. The depth of Rockefeller's insurrectionary drive allowed the controlled press to attribute the content of these policies to Ford in their Sunday editions. Incredibly, White House Press Officer Costello reported today that "anything Rockefeller says is White House policy."

This Rockefeller-Kissinger barrage followed Chicago Daily News columnist Peter Lisagor's public acknowledgement on May 9 that the movement to dump Kissinger was real. Lisagor went on to report however that Ford had opted for a strategy of keeping Kissinger "at arms"

length" while putting other cabinet members up front in foreign policy matters. This tactic was the outcome of a heated May 7 meeting in which Rockefeller agents Laird and Detroit banker Max Fischer attacked Ford loyalists campaign staffer Chaney, Agriculture Secretary Butz, and White House Press Secretary Nessen for being responsible for Ford's losses in the Texas and Indiana primaries. Ford's decision was heavily influenced by Laird, who bragged in the May 10 Wall Street Journal that if he was around last fall he could have stopped the "Halloween Massacre" firings of Rockefeller allies Schlesinger from Defense and Colby from the CIA.

The probable effects of Laird's influence surfaced on May 15 when a four state alert was put out for an unidentified male who threatened to assassinate the President. Ford has also been systematically isolated from close relatives who have been briefed by the U.S. Labor Party by the Rockefeller-controlled security forces.

Ford Sends Out Peace Signals

Maneuvering within the confines of Rockefeller's insurrectionary web, Ford speaking before the American Jewish Congress in Washington, D.C. May 13 issued a call for a Middle East peace based on Israeli territorial concessions to Arab countries. In an obvious slap at Kissinger, Ford specified that Israel must withdraw to 1967 borders in an interview following the speech. Ford's speech followed an interview published in the May 10 Jerusalem Post in which he declared that the U.S. has "gone about as far as it can go in the step by step process." Then, reiterating his own policy, Ford stated that a Middle East solution "would be one of the most significant achievements of any leader in the world today," and again backed a multilateral approach to comprehensive peace negotiations. Ford also moved to undermine Rockefeller's nuclear threats by stating in an interview on Friday in Kentucky that "If we are forced to fight again the next war is likely to be come as you are. We will prepare to deter war — but if our deterrents fail, we are well prepared to control the conflict and avoid nuclear confrontation." Under NSC orders, the remarks of the President were blacked out of most U.S. newspapers.

Even Ford's inadequate moves to blunt the war hysteria in Rockefeller-Kissinger quarters are the result of broad urgings of congressional Republicans, Ford for President Committee members, and the U.S. working class for Kissinger's removal. On May 10, the U.S. Labor Party reached the offices of ten Republicans in the Congress: all reported that they supported Kissinger's removal and indicated that Kissinger was blocking a solution in the Middle East. Six leading Republicans in the Chicago area called back USLP offices the next day, offering the same reasons for Kissinger's removal. Several suggested that former

Deputy Secretary of State Robert Ingersoll be Kissinger's replacement. By week's end, however, Wisconsin and Illinois Republican leaders were reporting that none of their calls to the White House had been answered.

A former Midwest governor confessed, "I'm terribly frightened that Ford has become isolated. What the hell is going on?"

In response, the guts of the Republican Party is making the most active political fight in its history, as a nucleus of Midwest GOP leaders begin to respond to Labor Party marching orders to break the press blackout on Ford's peace moves and Rockefeller's terror operation.

Rockefeller Moves to Dismantle the Democratic Party

On May 13, NSC mouthpiece Leslie Gelb reported in the New York Times that the Soviet embassy had made extensive contact with the aides of Democratic Party presidential front-runner Jimmy Carter. Gelb asserted that Embassy officials had "implied" that they "would pursue policies that might influence the (election's) outcome."

That day Carter gave a "major" policy speech initiating a series of foreign policy speeches delivered to Carter by his Harriman-dominated advisory board. The Gelb "red scare" coincided with a piece by NSC conduits Evans and Novak aimed at portraying Carter as a military "hawk." The double-barreled attack on Carter is clearly aimed at not only the front-runner Carter but at his leading advisors — Averell Harriman, former Under Secretary of Defense Paul Warnike, Foreign Policy magazine, Richard Holbrooke, etc.

Rockefeller's concern with silencing this faction as he moves to war is clear in the context of Harriman's May 10 speech in Washington, D.C.

For the Democrats, Harriman launched a broad counterattack on Rockefeller policies May 10. Focusing on the insanity of the Schlesinger Doctrine, Harriman said, "Notions of limited war should be done away with...they are only feeding the drive for more weapons...we have to stop using gunboat diplomacy." Charging that a defense policy based on considerations of being "number one or two" is absurd, Harriman took aim at Rockefeller's two hotspots, the Middle East and Italy. He asserted that the Middle East "should be settled and we can have a settlement if we want it" and refused to tow the Kissinger hardline against an Italian government containing the Italian Communist Party. Harriman was interviewed the day before in Pravda where he called for the end to the strategic arms race.

The terror in Harriman quarters was openly voiced by CBS-TV commentator Eric Sevareid. After buttressing the Harriman-Rumsfeld argument on defense policy, Sevareid noted that the only effect of a major arms buildup would be psychological, and warned that such a buildup would be viewed by the Soviets as preparations for war which could incite an instant reaction.

Excerpts From the Speech By Vice President Nelson A. Rockefeller To The Int'l. Press Institute, May 10

Speaking at the opening assembly of the International Press Institute in Philadelphia, before 245 journalists from 30 nations, including the Communist nations, Vice President Rockefeller warned against "the repeated attempts of the USSR to organize a new empire on which the Soviet sun would never set This new form of Imperialism — I don't know a better word to define it — suggests ideological, diplomatic, economic, financial, political and military structures, and the institution of relations dominated and directed from Moscow."

Rockefeller said that to counter the "Soviet expansionism," it is necessary that "the independent nations of the world, particularly those that adopt and defend free enterprise, unite in a closer and more positive way." This presumes, he said, that the U.S. and other countries must have the military capacity to oppose the Soviet Union and its satellites.

Rockefeller took advantage of the occasion to attack the U.S. Congress, which in recent years, he charged, has "usurped presidential prerogatives in foreign affairs, provoking grave external consequences."

REMARKS

May 13 — Vice President Nelson Rockefeller appears on West German national television to announce: "The U.S.-USSR conflict has not yet escalated into nuclear proportions ... fortunately." Rockefeller went on to praise Secretary of State Henry Kissinger as "the best Secretary of State the U.S. has ever had."

May 14 — Speaking at the Berlin Wall, Rockefeller declared that "the protection of West Berlin's liberty is inseparable from the protection of our U.S. national freedom. West Berlin is the frontline of our defense." He then warned the Soviets against "taking any countermeasures against Berlin."

May 15 — speaking before a large audience of leaders of government, industry, banking and labor at the Paulskirche in Frankfurt at what was officially billed as an American Bicentennial celebration organized by the Atlantic Bridge and the American Council on Germany, Rockefeller

denounced what he termed Soviet imperialism as "a mixture of Czarism, Marxism and a new colonialism." Emphasizing the worldwide danger posed by Soviet expansion, he called it "a continuing attempt (to) organize the world around a Soviet Empire on which the sun will never set." Stating that Europe is especially threatened with being engulfed by the Soviets, Rockefeller said that "only a strong and committed NATO can ensure the freedom of the West," and emphasized the danger posed by the Soviet navy. At the same time, he urged "an open world" in which the two German states can reunify.

Excerpts from Fat Henry

"... We cannot surrender one strategic part of the world to those who oppose us and remain secure and unchallenged in another. So those who want to keep America strong in one part of the world have a strategic obligation to keep it strong in all important areas

"The United States has never been defeated for lack of military power. All of our recent setbacks from Indo-China to Angola have been self-inflicted; they have occurred because of division among ourselves that paralyzed our action."

Kissinger rejected a Geneva conference approach to a settlement in the mideast, and said that the U.S. recognizes that Israel faced serious "dilemmas and risks" in giving up occupied territories. "Any negotiations will require Israel to exchange territory in return for political and therefore much less concrete concessions. Even Israel's ultimate goals — a peace treaty and recognition from its neighbors — are inherently intangible There will be no imposed solutions; there should be negotiations between the parties that will eventually have to live in peace ...

"The former Foreign Minister of France, Couve de Murville, said on the floor of the French Assembly three days ago: 'The instability in the world is above all a result of the American crisis caused by a defeat in Vietnam and the Watergate affair, rather than by the increase in Soviet power'"



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As Schmidt Speaks

Atlanticists Impliment Schachtian Policies

May 15 (IPS) — Chancellor Helmut Schmidt's unabashed tribute to Adolf Hitler this May 11 in the Bundestag can hardly be taken lightly in view of the fact that the Atlanticists are already well on their way to create Schachtian economic and political institutions. Moves afoot since at least January have laid the basis for the creation of international and national sector financial and economic institutions to implement the 1933-36 policies of Hitler's finance minister, Hjalmar Schacht. It goes without saying that the global nature of such measures this time accompanying depression conditions that dwarf those of the thirties will catapult the world into the 1936-45 horrors within a matter of months.

While recent clamoring, on both sides of the Atlantic for the disinvestment of European industry — relocation of West German industry to the cheap labor areas of the U.S. and Brazil, and the relocation of rationalized U.S. Northern industry to the predominantly non-unionized South might appear a bit far-fetched, the real message is clear: the New York banks and their political henchmen have turned to concentration camps and war in an effort to continue maintaining the facade of solvency for their financial institutions.

A Marshall Plan?

Just prior to his pro-Hitler speech, Helmut Schmidt, in an interview with the German weekly *Der Spiegel*, called for a new DM28 billion "Marshall Plan" for Europe to be financed by the West German central bank. A portion of this money would come from the sales of U.S. Treasury debt held by the Bundesbank. The rest would be cranked out of Bundesbank's printing presses.

The May 14 *Handelsblatt*, the leading West German financial daily, laid out Schmidt's fascist economic plans for Western Europe in its lead editorial. Investment by West German firms would now take place abroad, said *Handelsblatt*, because of cheap labor, the strong Deutschmark and better access to raw materials. In order of importance, the areas of investment would be the U.S., France, Switzerland, and Brazil. Volkswagen, West Germany's leading auto producer, after having laid off 24,000 out of its total workforce of 142,000 eighteen months ago and making it up with a 28 per cent increase in productivity, decided that the 6 per cent rise in labor costs per unit output on its West German operations was still unbearable. The company has decided to build its newest plant in the cheap-labor United States. Otherwise, mergers and consolidations have already begun to rationalize the entirety of Europe's auto, shipbuilding, steel, and chemical industry.

Within the United States itself, plans are being chalked out to deindustrialize and triage the industrial North and reduction of U.S. industry to a scattered variety of in-

dividually profitable pockets located in the cheap-labor and predominately non-unionized Southeast and Southwest.

As for the monetary super-structure needed to support such an operation, (the so-called Dollar-Deutschmark axis) — a Wall Street-engineered currency realignment — has been underway since January of this year. The wrecking job on weaker European currencies, starting with Jan. 21 assault on the Italian lira has forced measures leading to the virtual shut-off of all Italian foreign trade.

Now, there is a concerted effort underway to usurp all traditional monetary-policy-making powers out of the hands of national central banks, leaving only the U.S. Federal Reserve and the West German Bundesbank, (the latter strictly as a junior partner), to control credit both within and without all European national economies.

Bundesbank President Herr Klagen this week outlined plans to restructure the West German central bank's monetary policy-making body, the Zentralbankrat. Under the proposal the board, which is currently composed of heads of the regional offices of the Bundesbank and its directors, would exclude civil service or political appointees. This measure, aimed at streamlining the domestic credit machinery under top-down Atlanticist control, follows the U.S. Fed-IMF-Bundesbank joint operation which has reduced the Italian central bank, Banca D'Italia, to an Atlanticist weapon to destroy the Italian economy. Similarly, the troublesome Bank of England has been watergated and Atlanticist plans are to attempt to have it superceded by a Currency Commission. The role outlined for the Banque de France under the explicit-fascist Atlanticist President Valery Giscard d'Estaing's "Seventh Economic Plan," now before parliament, is that of overseer of the rationalization of French industry. In the U.S., the F.I.N.E. (Financial Institutions and the National Economy) proposal of Rep. Henry Reuss (D-Wisc) is aimed at similar top-down control of all domestic credit.

A central bank dictating all allocation of credit and printing money as need for the rationalization of industry, was the primary tool used by Hjalmar Schacht to centralize political control of the German economy. The Reichsbank used this control to eliminate all opposition to Schacht's policies and consolidate cartel control over various sectors. This time, the plans call for the U.S. Fed, IMF and the Bundesbank to play that role for the global economy, with national central banks merely implementing such policies domestically. Where central banks hesitate, as in the case of the Bank of England, they are to be replaced by new institutions subservient to the IMF, etc.

This process of consolidation is well underway as is clear from developments this week. The Bundesbank, through the European Economic Community Monetary Fund and the

Bank for International Settlements (BIS) has paid out another \$1 billion to Italy after the government imposed an unprecedented shut-off of trade credits. The Journal of Commerce quotes two former Italian finance ministers objecting to these loans as they are mere refinancing and have nothing to do with the productive economy. Sweden, meanwhile, has announced that it requires an additional \$4.5 billion in foreign loans this year, which unquestionably will be tied to rationalization. The printing presses will continue churning in West Germany to finance "rationalization" credits to Western Europe; interest rates will continue to rise in the United States; West German funds will be sucked into the Treasury cash-box to finance the otherwise-unmanagable Treasury deficit. All this will continue adding to the "offshore" "Bermuda Triangle" pool of Eurodollar funds, which, in turn, will be used for selective lending to rationalizing industries. The Third World except for a few select client states will be omitted from loan consideration.

The demi-fuehrer Schmidt is merely a puppet of lower Manhattan. As one New York banker stated this week Schmidt the loyal servant "is pragmatic and he knows he depends on the Atlantic Alliance." Then indicating who pulls this puppets strings the banker said, Schmidt will do what ever the U.S. Treasury tells him." Another New York banker was more blunt, "Don't worry about the Germans....they are our minions in Western Europe."

The Schachtianization of European Industry

At the International Metalworkers Federation (IMF) conference in Munich last week, attended by social-fascist United Auto Workers' President Leonard Woodcock, the Wall Street investment banking firm, Lehman Brothers, presented a plan for drastic "rationalization" of the Western European auto industry. The study, which was authored by Paris-based Lehman Brothers-controlled research group known as Eurofinance, minces no words about the non-existence of the so-called "auto-led European economic recovery." To quote a Financial Times summary of the report: "Manufacturers still face a highly uncertain spell in which markets could oscillate widely, and in which there is unlikely to be any real growth."

Auto production in Western Europe, the study continues, will not regain 1973 levels until at least the mid-1980's. "Eurofinance" proceeds to make the following recommendations: To eliminate "excess capacity," the number of European companies must be reduced to "no more than three closely-integrated or merged groups." State-subsidized companies like British Leyland, which are no longer financially viable, must be "restructured." Wall Street has thus called for a wholesale scrapping of "surplus" plant and equipment — a move which will throw millions of skilled and semi-skilled auto workers on the scrap-heap. Increased profits will be squeezed out despite reductions in overall production through hideous speed-up and the hellish working conditions identical to those in Nazi Germany in 1936-39 period.

We Need a Bloodletting

Volkswagen, the government-owned company originally established under Hitler's orders has emerged as a prototype for Wall Street's plan. Toni Schmueker, the firm's productivity expert brought in just a year and a half ago, has an-

nounced that Volkswagen's breakeven point, the sale of production at which it is able to produce a profit — will be reduced this year from 70 per cent of capacity utilization to 60 per cent. This will be accomplished by increasing the number of units produced per worker from the present 10 to 15. "We need a bloodletting," commented Schmueker, who was productivity expert for the Rheinstahl armaments complex under the post-war U.S. occupation.

Volkswagen's latest annual report outlines Schmueker's "accomplishments" during the last 18 months, which allegedly brought the company from "the brink of bankruptcy" to "recovery" ...

- * 24,000 layoffs out of total workforce of 142,000,

- * a 28 per cent rise in worker productivity

- * a 60 per cent drop in labor costs per unit output, and

- * a substantial reduction of inventories through production cutbacks.

The Lehman Brothers' plan will ensure that the "VW model" is applied Europe-wide.

Half a Truth

What Wall Street isn't telling its European junior partners is that it is the U.S. giants — General Motors and Ford — who are likely to emerge with the biggest piece of the spoils should Lehman's "rationalization" scenario be carried out. One Wall Street analyst, when told of the plan to reduce the European auto industry to only three major firms, laughed and replied, "Right. General Motors, Ford, and Volkswagen." He then explained that GM and Ford had shown record profits on their European operations in the first quarter of 1976, accounting for a huge chunk of the "European" sales "upswing."

Cartelization In France

Echoing Hitler's reorganization of German industry, French industry is already being "merged" into large cartels, to enforce production cuts and layoffs and ensure debt repayment. In April, Big MAC chairman Felix Rohatyn's investment house, Lazard Freres, arranged the merger of two ailing near bankrupt French automakers, Peugeot and Citroen.

At the same time, France's two largest chemical producers, Rhone-Poulenc and Pechiney-Ugine-Kuhlmann formed an "association" to pool capacity, while Rhone-Poulenc laid off 9,000 workers, half its textiles workforce. With fertilizer sales down 50 per cent from the previous year, the two largest fertilizer manufacturers, Gardinier and Miniere et Chimique, formed a similar "association." France's Vichyite Giscard government is directly subsidizing the rationalization of both the steel and chemical industries through large loans. This cartelization process will accelerate — if President Giscard's "Seventh Plan" is not voted down by an increasingly enraged Gaullist opposition.

Ship-Building Triaged

Under the auspices of a recent OECD (Organization for Economic Cooperation and Development) agreement, Wall Street is forcing the dismantlement of an estimated 50 per cent of ship-building "over-capacity" created by the collapse of world trade. According to the Economist, Japan, Sweden, and West Germany, are already undertaking 30 per cent reductions, which will result in layoffs of 30,000, 7,500, and 10,000 workers respectively in each country. The Economist

complains, however, that these drastic measures are still insufficient! During the first quarter of 1976, the order books of the world shipbuilding industry were reported to have dropped to the lowest level since September, 1970.

Wall Street's Nazis See Ray of Sunshine in USA

Handelsblat, the West German financial daily, in an editorial on Friday called for a new *Lebensraum* or living space policy for German capital. The editorial calls for West German industry to invest overseas, by opening plants to take advantage of cheap labor in the U.S., Brazil, France and Sweden. Such talk of exporting West German jobs does not sit well with workers — especially autoworkers. Over the too few years a significant portion of the Volkswagen workforce were either retired early or laid off, due to production cutbacks. Volkswagen recently concluded an arrangement to open a major new plant in the U.S. in hopes of regaining a larger portion of the "lucrative" American market by beating import costs and fees.

The U.S. Sunbelt

The area of the U.S. now coveted for industrial expansion is the South — both Southwest and Southeast. This week's Business Week sheds some light on why lower Manhattan views the Sunbelt as the "promised land." Business Week reports the following "credentials" for the Sunbelt:

- * the workforce is about one half as unionized as the rest of the country and even less when compared to the Great Lakes' industrial belt to North East.

- * the energy costs are lower because of the proximity of the sources — coal supplies, hydroelectric, etc. In some areas electricity costs only 35 per cent of what it costs in New England.

- * finally the state and local tax rates are lower by as much as 4 per cent. (In some cases tax incentives are given companies for relocating enabling them to avoid paying taxes for several years, and reduced rates for years after that.)

The Business Week article continues heaping praise on the South for "the brilliant plentiful manpower" available, and the wonderful, easy life of the diligent and loyal workers. Sales of quality consumer goods, the magazine reports, are

rising faster here than anywhere in the nation. The average factory worker earns around \$165 a week — or \$30 less than his Northern counterpart. Wage levels in the numerous sweat-shops and light assembly plants are far lower.

Already Underway

The Business Week article concludes that northern businesses will soon begin shutting down to move to the cheaper labor sources in the South.

The movement of industry to the South has occurred beginning at the end of World War II up to the present, peaking in the late 1960's. The kinds of industry which has moved have been diverse, but the most significant growth has been in "light" assembly plants. Old equipment is often just moved from the North to the South and put into a newly constructed factory shell. These are "the new assembly plants" of the South.

Some new capital equipment has been installed in new petrochemical and aerospace plants. Homegrown and recruited labor from the North have provided the workforce for these plants; in all cases wage levels are kept low.

This process has resulted in relative higher Southern employment levels. Population is also up in the South confirming the migration that people are moving to the South to get jobs — the exact reverse of 1930-55 trends.

A source in the Congressional Budget office indicated that this move southward to the Sunbelt is a long term trend. As industry moves South, he indicated wages will not only be cut in the Sunbelt but also back in the north as it attempts to compete for industry. Such moves will lower labor costs in places like New York City, the source concluded and "making it more attractive for industry to stay in New York."

West German Industrialists are well aware of this system of relocation of industry to areas of cheaper labor. This is the final outcome of the policies the Nazi economics minister Schacht — the concentration camps of Eastern Europe. Southerners crowing over the prospects of a renewed boom in the Sunbelt obviously haven't paid attention to the history of this century.



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Federal Debt Fiasco

NEW YORK, May 15 (IPS) — Federal officials are panicking over the inflationary crisis that erupted on the credit markets last week, and are demanding an immediate assault on working class living standards to prop up the burgeoning federal debt.

A speech by Treasury Under-Secretary Edwin Yeo to the Municipal Finance Officers Association in San Francisco last week signals that Wall Street and its friends in Washington cannot put off a second-round austerity offensive until later in the year, as they had hoped. Yeo proposed "confining the scope of state and local functions to that which is affordable within the jurisdiction's revenue base, (that is) fiscal and financial autonomy at the state and local level."

Unless a major financial catastrophe were about to break, the disgusting spectacle of a Ford Administration official publicly supporting the most discredited of Ronald Reagan's economic recipes — dropping \$90 billion in Federal support to states and municipalities and throwing the entire burden onto collapsing local governments — could have no explanation.

On May 12, the Senate passed the budget resolution for fiscal year 1977 which calls for deep cutbacks in social services while heavily increasing the size of the military budget. Income security programs would be cut \$5 billion simply from the level needed to maintain current programs, health another \$1.2 billion, veterans benefits almost \$1.2 billion, veterans benefits almost \$500 million. Meanwhile, the military budget will rise \$8 billion. The budget was dictated to Congress by Wall Street through the Congressional Budget Office. Created last year, the CBO is headed by Alice Rivlin, formerly of the Brookings Institution. Its staff is heavily laced with former employees of the New York City Rand Institute, who set up the triage-bureaucratic apparatus being used in New York by Big MAC to reduce New York's population by two million people.

Also this week, Agriculture Secretary Earl Butz announced new food stamp eligibility requirements designed to remove over 4 million people from the rolls.

Inflation Heading Out of Control

The financial crisis behind this austerity outburst is the immediate threat of dollar-sector hyperinflation outside of Treasury's or anybody else's control. A minor fiasco in last week's sale of \$7.5 billion in Treasury IOU's marked the turning point after which the Federal government can no longer run a \$100 billion per year deficit without direct Schactian looting of working-class incomes. In turn, a collapse of the U.S. government debt market would start an international chain-reaction in financial markets that would wreck Atlanticist political control in the U.S. and Western Europe.

During the first quarter of 1976, the U.S. government took up 75 per cent of all net credit issued by lenders in the U.S. in the process of financing its deficit. By looting funds required for capital investment, housing and current production, Washington managed to finance a budget of which half of all expenditures went to military, highway and other boondoggles, and debt service.

Government securities were issued at a record rate of almost \$26 billion in the first quarter. Savings and loan associations, unable to invest in mortgages, bought \$5.5 billion, while other private non-bank financial institutions — mutual savings banks, private pension funds, state and local retirement funds, life and other insurance companies, and credit unions — took down another \$3.4 billion. Commercial banks, which are liquidating bank loans to productive industry at a rate faster than during the height of industrial collapse last spring, purchased an additional \$6.1 billion. Nonfinancial corporate business, by running down their bank loans at record rate and "financing" the inventory-based upswing of production through massive "cost-cutting," i.e., speed-up, purchased an additional \$5 billion.

This swindle, which virtually eliminated financing for construction and capital investment, is collapsing on two counts. First, the staggering volume of government debt-financing has produced a build-up of loose funds in the banking system which has increased the narrowly defined money supply (M1) at a 19.5 per cent annual rate over the four weeks. These are idle funds trapped in the banking system, the surfeit of over \$30 billion in Federal deficit spending and \$11 billion in corporate refinancing during the first month of this year.

Without touching the productive system, these funds flow directly into the "Eurodollar" market, and multiply by 12 to "n" times their original sum as a hyperinflationary mass available for currency, commodity and related speculation.

Second, the one-shot looting operation that the Treasury used to finance its debt to date — soaking up money freed temporarily by collapse of industry — ended with last week's auction of Treasury bills and notes. Previously, the Treasury had been flooded with more bids than it could handle from corporations, savings institutions and commercial banks; this time, a substantial portion of the auction was dumped onto Wall Street dealers, sending the entire bond market into a panic.

As Under-Secretary Teo hinted, unless Wall Street can immediately increase the rate of cannibalization of working-class incomes — through cuts in the Federal and local budgets, destruction of housing, higher "pension" contributions and scrapping of plant and equipment — the entire

chain-letter of U.S. government finances will unravel.

Treasury Borrowing Spurs Pressure for Cannibalization

The pressure for Wall Street to go all out for cannibalization right now is underscored by the fact that Treasury financing needs will actually be increasing in the months ahead. The Treasury itself has admitted that it still needs to raise between \$5.5 and \$8.5 billion in new cash alone by June 30, and between \$15 and \$20 billion during the next quarter, concentrated during July and August since September is a corporate tax month. In addition, at least \$9.7 billion in publicly-held long-term debt must be refinanced by the end of August. On May 13 the Treasury announced that it would sell \$5.4 billion over the next two weeks to raise \$1.25 billion in new cash and redeem maturing notes.

The Treasury and Federal Reserve are not blind to the price of defeat on their war on working-class income. The sudden rise in the annual growth of the money supply to 19.5 per cent has occurred while bank lending has fallen. The moment that banks open their credit windows the "multiplier" in the banking system could turn this rate of increase into 50 per cent per year. If the Federal Reserve is forced to turn on the printing presses to finance the Treasury deficit, Weimar levels of inflation will take hold.

In mid-December, when business loans started to drop off again after rising moderately from mid-September, the Fed, according to Chairman Arthur Burns' testimony May 3 before the Senate Banking Committee, decided to pump money into the economy and lower the discount rate and reserve requirements in order to sustain the mild upswing in production experienced till then on the basis of the Spring tax cuts. This was essentially a political decision taken to hold together the dollar empire in the short-term by creating the conditions around which a massive black propaganda campaign on the so-called U.S. recovery would be used to disorient and disperse coalescing pro-International Development Bank forces primarily in the Third World and Western Europe.

While business loans continued to plummet (they have fallen by \$8 billion this year), the reserves pumped into the

system, key to financing the Treasury's massive first quarter borrowings, built up pressure for a potential inflationary explosion. As the money supply began to take off, Burns tried to tighten up during late February-early March, only to see the markets immediately panic. Burns backed off, with the result that the money supply exploded from mid-March, setting in motion the obvious signs of a building inflationary wave, e.g. massive price increases in industrial materials and food.

The best indicator that Burns has actually lost control of the situation occurred late Thursday afternoon, when the bond market staged a mild rally on the news released that afternoon that money supply had increased \$800 million for the past week, pushing the four week average annual rate of increase up to 19.5 per cent. The rally was based on the fact that Wall Street had expected a \$2 to \$3 billion increase, and was happy when it "only" turned out to be \$800 million. The next day, the euphoria wore off and the markets fell back into their doldrums.

In this situation, monetary and fiscal policy per se is meaningless. Burns and his Wall Street overlords, said to be trying to pursue a "middle course," in fact have decided to move with a vengeance with their only option, immediate fascist rationalization of the economy.

Last week Burns supplied \$500 million in reserves to the banking system, leading to a further big jump in the money supply, while this week he drained \$2 billion in reserves. The only consistency over the past several weeks has been a gradual raising of the federal funds rate from 4 and three-fourths per cent to 5 and one-eighth to one-fourth per cent yesterday. As a result of this mild "tightening," occurring at the same time as the money supply is booming, bond prices have dropped 4 points over the past few weeks.

Sources close to Burns indicate that his slow tightening policy is designed to raise interest rates in order to pull money into the U.S. to finance the Treasury deficit. This tactic is based on consolidation of control over West Germany, which would have to finance this operation.



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Kissinger Insites Tripoli Massacre, Puts Mideast At Nuclear Flashpoint

May 15 (IPS) — The Rockefeller forces are driving ahead unchecked for a thermonuclear show of force in the Middle East. The Lebanese civil war, pitting leftists and Palestinians against an array of NATO-backed right-wing and Syrian forces, has become the staging ground for an intended bloody NATO "victory," a symbol of the ruthless determination of Rockefeller's worldwide fascist offensive. The Israeli nuclear arsenal — brandished openly under the Schlesinger Doctrine of limited nuclear war — is the enforcer of this scenario.

Thousands of NATO-controlled Syrian army troops and paramilitary Saiqa commandos stormed into Tripoli, Lebanon May 13 and slaughtered hundreds of members and sympathizers of the pro-Iraqi Arab Ba'ath Socialist Party (ABSP) and other leftist forces, according to Cairo Radio. Overwhelming the defenses of the city with tanks, armored cars, and heavy artillery, the Syrian forces rapidly occupied all strategic points in what had been a major stronghold of the Lebanese left. Over 200 people were killed in the attack, and hundreds of prisoners were carted back to Damascus, Syria by the occupying forces.

The attack on Tripoli, part of a general offensive launched earlier this week by Syria and the fascist Lebanese Falangists, has pushed the year-old Lebanese civil war into a new stage. The deliberate provocation of the Lebanese left and the Palestinians — and of Iraq and the Soviet Union — has raised the danger of a full-scale Arab-Israeli war. Israeli hawks, known to favor a pre-emptive strike against Lebanon and Syria, have repeatedly warned that a leftist victory in Lebanon or an occupation of the country by Syria would be cause for war.

In Washington, Henry Kissinger met yesterday with Israeli Ambassador Sincha Dinitz to discuss the "danger of a general war in the Middle East arising out of the Lebanon fighting," according to the Baltimore Sun.

Israel, NATO on Alert

The growing crisis in the Middle East has been paralleled by a military buildup by NATO forces in the Mediterranean. Krasnaya Zvezda, the Soviet military newspaper, reported May 11 that the U.S. Sixth Fleet and NATO forces had scheduled naval maneuvers in the eastern Mediterranean for mid-May. On Malta, the Soviets reported, a British air force base was the scene of a heavy concentration of jet fighters "from all over Europe," and a large contingent of British Navy vessels was expected shortly.

"Even more alarming," reported Krasnaya Zvezda, "are the feverish military preparations by Israel." The report cited the fact that Israel had rockets "capable of carrying

nuclear warheads," and noted that tests of these missiles had recently been completed by the Israelis. Finally, noting that Israel also possessed atomic weapons, the Soviet daily concluded by warning that a preventive strike by Israel against the Arab states was a "real possibility."

The array of force by Israel and NATO, and the threat of a general war involving Israeli nuclear weapons, is the deliberate result of a blatant policy of nuclear brinkmanship pursued by the secretary of state. The bloody provocations in Tripoli, Lebanon, and the stepped-up Syrian offensive was ordered with the full knowledge that an expected leftist counteroffensive — and even overt Iraqi or Soviet military involvement — would be the likely result. The Rockefeller forces, including the Moshe Dayan military and intelligence faction in Israel and the Saudi-Aramco complex, are prepared to use such an occasion to test — live — the Schlesinger Doctrine of "limited" nuclear war.

Former U.S. Defense Secretary James Schlesinger described his view of Israel as a test case for demonstrating the U.S. will to resist "Soviet pressures" in May 12 Washington Post "Israel does represent an excuse, an opportunity for Soviet regional intervention in the Middle East," said Schlesinger. "But it also represents a deterrent against such intervention in active form." Israel's strategic importance, he concluded, was "as a symbol of American intention, American steadfastness."

President Ford — captive in the White House — and Israeli Prime Minister Yitzhak Rabin have taken partial steps this week to block the extremist Rockefeller-Dayan forces from triggering a nuclear holocaust. But prospects remain grim. Ford has not yet acted to dump Kissinger, and therefore remains hostage to the anti-Geneva Conference policies of Kissinger and his employer, Vice-President Nelson Rockefeller.

Peres Threatens Rabin

In Israel, a powerful and growing peace movement led by former Foreign Minister Abba Eban and moderate members of the ruling Israel Labour Party is providing a modicum of support to Prime Minister Rabin. But this week open war erupted in the Israeli Cabinet, as Defense Minister Shimon Peres — the leader of the Israeli hawks — angrily reacted to rumors that Rabin was trying to fire him by announcing that Rabin should "dismiss himself."

The overt challenge by Peres to Rabin carries an ominous threat. Peres, with Dayan and the Israeli General Staff, effectively controls the Israeli military, and in the present emergency has the potential to make a virtual coup d'etat should Rabin seriously consider ousting from the Cabinet.

The chief danger in the Peres mutiny is that it will serve to justify an Israeli "breakaway" from the U.S., such that an Israeli pre-emptive strike into Lebanon, Syria or Iraq would appear unconnected with its real sponsors, the Kissinger-NSC cabal. The issue of expanded Israeli settlements in the West Bank and other occupied territories which was denounced this week by Ford — is the political cover for a phony Israeli resistance to the U.S.

Lebanon: Left Counteroffensive

Christian rightists and Syrian allies opened a general offensive against the left May 9, the day after the election of Sarkis, bringing large tank brigades, heavy artillery, and helicopters into a central Lebanon battle. Parallel offensives were launched into eastern Beirut and Tripoli, Lebanon's two major cities and strongholds of the leftist coalition which includes the Communist Party, various left militia, and the Palestian movement. Le Monde reports that 4000 Syrian troops entered Lebanon May 9 in a convoy of 100 trucks and deployed alongside the Falangists to strengthen the rightist offensive.

The Tripoli massacre of Ba'ath party cadre and militants served to unify the left as never before. Kamal Jumblatt, the leader of the Lebanese left, and Ahmed Khatib, the commander of the rebel Lebanese Arab Army, announced the formation of a joint command for their forces soon after the Tripoli attack by Syria was launched.

Yasser Arafat, the chairman of the Palestine Liberation Organization, held a ten-hour meeting of his Executive Committee and decided to throw the full military weight of the PLO behind the Lebanese left. Previously, the PLO had remained officially neutral. In his statement, Arafat called Syrian President Hafez Assad a "traitor," and — in an open challenge to Assad's authority — demanded that Palestinian forces under Syrian control desert their units and join the PLO and the left in fighting the rightist Christians in central Lebanon.

The public attack on Assad by Arafat served a mortal blow to the Syrian president's credibility as a "revolutionary" Arab leader. One source openly predicted a coup d'etat against the Assad regime, and the Washington Post reported that diplomats in Beirut and Damascus now think that a Syrian attack on the PLO would "run great risks of inspiring a rebellion among Syrian military commanders."

The Tripoli attack by Syria also spurred a redoubled leftist assault against the stronghold of the fascist Lebanese Falangists and their allies. The PLO and the Lebanese left together launched an attack from the south and east toward the heart of the Christian right's stronghold surrounding the port of Junieh. According to the New York Times, Junieh itself was shelled for the first time, and the two key towns of Faraya and Broumana fell to the left. Without a vastly stepped up — and politically dangerous — new Syrian offensive, a complete leftist victory and the destruction of the Falange is likely.

But Rockefeller has placed a nuclear "tripwire" around the Falange. Without the appropriate political measures, including an expose of the Schlesinger Doctrine scenario and its puppet actors — the Falange, the Saudis, and the Dayanists — and an appreciation of the willingness of certain

Israeli forces to pursue an overall settlement, then the Lebanon crisis can only touch off a global nuclear holocaust.

Israeli Factional Struggles

Peres' calls for a government collapse climaxed a bitter factional struggle precipitated by the moves of Peres and his close ally Moshe Dayan toward an NSC-planned military coup in Israel. A sign of the growing strength of Peres and Co. was provided May 9 when the Israeli Cabinet was slated to decide government policy toward stepped-up Jewish settlement of areas occupied by Israel during the 1967 war. The Cabinet decided to establish a large number of new settlements, a direct provocation to the Arabs, reportedly capitulating to rightist pressures from Peres and his factional ally Ga'ad Yaacobi, who threatened to resign if opposed.

Representing the ruling Labour Party's center, and strongly pressured by the party's moderate and leftist forces, the ambivalent Rabin and his backers have shown the first timid signs that they recognize the warhawks' threat by hinting that Peres will be ditched.

Any further hesitation, however, could force a fullscale government crisis within days, possibly bringing a consolidated military clique into an emergency government of national unity — the first step toward an NSC-staged regional thermonuclear war. However, with sufficient international support, appropriate diplomatic signals from the Arab sector and the socialist sector, and the articulation of a clear program for regional detente and development from Israel's peace forces, a government led by moderate former Foreign Minister Abba Eban could emerge out of the crisis.

Eban, just returned from several days of diplomatic talks in Paris, called this week for early national elections and for a policy of substantial Israeli territorial compromise. Eban counterposed his policy to last weekend's "unreasonable" decision by the Israeli Cabinet to authorize new settlements by Jewish religious fanatics in the Arab-populated West Bank. Informed sources insist that Eban will soon announce for the premiership on a strong pro-peace program.

Kissinger Sabotage

Israeli United Nations Ambassador Chaim Herzog was officially rebuked this week by Israeli U.S. Ambassador Simcha Dinitz, an intimate ally of Henry Kissinger, for having raised "dangerous subjects" in discussions with Soviet Ambassador Yacov Malik. According to yesterday's Jerusalem Post, the "dangerous subjects" included "superpower guarantees for an overall Arab-Israeli peace settlement" and the means for overcoming Israel's refusal to talk to the Palestine Liberation Organization, thus far the main impediment to peace negotiations.

Dinitz met yesterday with Kissinger to discuss "general war in the Mideast" and stepped-up U.S. military aid to Israel. He then cabled Israeli Foreign Minister Yigal Allon accusing Herzog of raising matters with Malik that Israel "does not even discuss with the U.S.," an open admission of the Kissinger faction's sabotage of peace efforts.

Allon, a possible ally of Eban's in a government crisis situation, unexpectedly cabled Herzog praising his UN diplomatic efforts, a move seen as "especially significant" in view of the Dinitz attacks, according to the Post. The U.S.

press has blacked out reports of the Herzog-Soviet meeting as well as Dinitz's and Allon's UN actions.

Dayan and company continue to maintain a high-pitched terror atmosphere within Israel. The warhawks are openly encouraging the expansionist Gush Emunim religious fanatics to settle lands in Arab-populated territories. This month as well, a suspicious terror wave, attributed to "Palestinians," has broken out in the cities of Tel Aviv and Jerusalem. The increased terror has provoked calls in the right-wing Israeli press for additional security measures in the cities.

Turmoil in Egypt Gives Saudis Leverage

The pressure on the Egyptian regime of President Anwar Sadat to repay its \$12 billion in external debt continues to create a political crisis within Egypt. The Soviet Union's failure to grant Egypt a moratorium on the \$3.8 billion owed to it by Egypt has exacerbated the problem.

This financial pressure on Sadat gives the U.S. State Department controlled Saudi Arabian government leverage in its drive to consolidate right-wing regimes throughout the Arab world. Despite repeated calls this week by Sadat and his Foreign Minister Ismail Fahmi for an immediate resumption of the Geneva Mideast peace conference to discuss an overall peace settlement, Saudi pressure could rope the Egyptians into another — and suicidal — Mideast war.

With the IMF and World Bank demanding that every penny of Egypt's loans be repayed on time, Sadat has complied with the "request" of these agencies to eliminate government subsidies on food and other commodities. He has also moved to make the Egyptian pound convertible, opening up the country to more profitable looting arrangements at the hands of Wall Street.

Such actions can only be taken under increasing police state conditions. A series of suspiciously planted bombs in public buildings and factories in the Nile Delta were all discovered and defused in time. This and similar "terrorist" activities have provided Sadat and his Interior Minister Gen. Hassan Abu Basha all the excuse needed to clamp down on centers of opposition to the regime's austerity policies.

Sadat has also conducted a purge within the government-owned press, reshuffling editors and journalists, the May 10 Financial Times reported. Two editors of the Marxist monthly Al Talia were among those removed, while the monthly's employees were thrown out of their government-owned office buildings. The economic fortnightly Ahram Ektesadi which had recently criticized the government's policies was given a similar treatment. Sadat however is fighting a losing battle. While he may block left opposition, he is opening himself up to attacks from the right. Knowledgeable sources are now reporting a recent step-up in the activity of the Moslem Brotherhood, a fanatic religious-based fascist grouping directly controlled by the CIA's Saudi-Aramco intelligence network, in Egypt against Sadat.

Saudi Arabia has taken full advantage of Sadat's paralysis. Saudi deputy Prime Minister Prince Fahd will be meeting this week in Saudi Arabia with the Prime Ministers of Syria, Egypt, and Kuwait, in preparation for a summit of the leaders of these countries next month. These meetings come amid a major Saudi effort to push the Russians off the Arabian Peninsula. Their most recent initiatives have involved waving substantial sums of petro-dollars around to convince their neighbors that it is more rewarding to cooperate with Saudi Arabia than the Soviet Union.

Saudi Arabia has agreed to finance the purchase of more than \$100 million worth of military material from the U.S. for North Yemen. In exchange, President Ibrahim el Hamidi is to expel the last 150 Soviet military advisers in the country.

But the Saudis — and their masters — are far more interested in the openly pro-Soviet government of the Popular Democratic Republic of Yemen (South Yemen), which has several thousand Soviet advisors in charge of training the army and maintaining installations used by the Soviet fleet. Western press sources report that the Saudis have convinced the South Yemenis not to permit the Soviet fleet to use the Island Perim in the Bab el Mandeb Straights in the Red Sea in exchange for \$40 million.

Although the Saudis would rather deal with an entirely different government, they have reportedly promised another \$250 million over the next five years to the present South Yemen government if it moves away from its strong pro-Moscow line.

Reprinted From the Jerusalem Post, May 10, 1976

Ford: It's Time to Talk About Broader M-E Settlement

by Trude B. Feldman

WASHINGTON — President Ford says that the U.S. has "gone about as far as we can in the step-by-step process" that culminated in the Egyptian-Israel interim agreement last September, and the time has now come "to be doing some serious talking about a broader settlement — and that, of course, means peace and recognition of Israel."

In an exclusive interview with this reporter last week in his White House Oval Office, Ford said that he believes "significant headway" toward a Middle East settlement has been made since he became President. Now he wants to bring the parties to the negotiating table "so that we can achieve what everyone wants — a permanent, equitable peace in that very complex area."

"The key point is that the United States is the only country that has the trust of both the Israelis and the Arab nations. We're trying to build on that trust because in that way we can be of positive help in moving both sides closer, and make still more progress towards a lasting settlement."

During the interview, Ford made these other points:

* The U.S. "ought to think seriously about providing defensive arms for Egypt."

* It was "inaccurate" to suggest that his Administration was "tilting" — as I put it to him in a question — towards the Arabs. "The mere fact that we have recommended such substantial funds for Israel in the last two years ought to be the best evidence," he answered, adding: "I don't think Israel has any reason to worry that the Ford Administration will do anything to weaken Israel's military security."

* Regarding the question of additional assistance to Israel during the three-month transitional quarter running from July 1 through September 30, "the technical people in the Defense Department and other departments, who spend all their time on these matters," has advised him that the U.S. was "being fair and proper in regard to the amount Israel needs for its security and its survival, both economically and militarily." Ford has opposed the additional aid.

The President ducked a question about whether he would veto a smaller appropriation bill for the transition quarter calling for, say, only half of the \$550m. for Israel passed by the Senate. "Or do you think you'd have to veto that one also?" I asked. "I don't think I should make that judgment during this interview," he replied.

Ford said his Administration has been "both generous and fair" to the Jewish state. "As President, I have been very firm in indicating my support for the survival and security of Israel. I think the record will show that in terms of United States funding of economic and military support for Israel, the figures are very, very impressive.

"I recommended to Congress, and Congress has approved, more economic and military aid for Israel during my two years than any other President in American history.

"As a result, we have good relations with the Rabin govern-

ment. We don't agree on every detail and we have to negotiate, but we almost always wind up having the same position, whether it's the Sinai agreement or any other Middle East problem."

Regarding the present controversy arising from the President's opposition to the transitional funding for Israel, he said: "I'm glad to clarify that. I never made any commitment to give economic aid or military aid during the transitional quarter. I did agree, and carried through, a recommendation for \$1.5b. in military assistance to Israel in fiscal 1976 plus \$800m., as I recall, for economic assistance during the same period.

"I also indicated to the Israel Government that I would recommend \$1b. in fiscal 1977 for military assistance and \$700m. in economic aid. Those were the two commitments. There was never a commitment by me to anyone for any funding during the transitional quarter."

Ford added that he has "taken a very firm position that the foreign assistance funding I have recommended was ample. Anything above that puts me in a very untenable position because I'm trying to hold the line on domestic programmes to reduce our deficit and have the substantial tax reduction I've called for," he said. "For me to agree to anything above the very generous amounts I have suggested would be most inconsistent."

I asked Ford if he would like to be the President who went down in history as having made a "dent" in the Middle East problem.

"It's more than a 'dent' as you put it," he answered. "It would be one of the most significant achievements of any leader in the world today — the hallmark of any President's term. Yes, I hope it will be mine.

He said that "the Sinai pact has proved to be a highly positive development ... but we have to be doing some serious talking about a broader settlement — and that, of course, means peace and recognition of Israel. If we can achieve that, the problem will be solved for a long time to come."

President Ford defended his controversial proposal to end the 20-year embargo on arms sales to Egypt, asserting that such supplies were essential for further progress toward peace in the region.

"In the last 18 months," he said, "Egypt has changed very dramatically from its dependence on Soviet Russia to a willingness to work with us and also to negotiate an excellent settlement with the Israelis in the Sinai. I believe it is in the national interest of the United States to sell Egypt six C-130 transport planes. No one argues that this sale will upset the Mideast military balance.

"But beyond that, we must remember that since President Sadat has broken with the Soviet Union, which provided Egypt with all of its military hardware, he has turned to us. We ought to think seriously about providing defensive arms for Egypt."



Special Report

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West German Chancellor: "Hitler Was Correct"

by Criton Zoakos,
NCLC Director of Intelligence

NEW YORK, May 13 (IPS) — The West German Parliament from the Federal Chancellor on down stood yesterday to pay tribute to Adolf Hitler, the New York banks' protege who drowned the world in blood 30 years ago.

Before a nationally televised parliamentary budget debate, Social Democratic Chancellor Helmut Schmidt became the first postwar German official to heap praise on Adolf Hitler without any objections from his parliamentary colleagues. In fact, his remarks in praise of Hitler triggered an outpouring of Nazi statements from other party leaders while a tense Bundestag and a stunned, nationwide TV audience sat by unable to believe what it was witnessing.

Characterizing the present period as the second "Great Depression of the Century," the Chancellor was momentarily interrupted by catcalls from the right-wing benches. Schmidt suddenly became tense and let out a shrill shriek: "Shut up, dammit ... shut up, I have something very important to say."

He then paused momentarily, assumed something resembling that sinister, hysterical eyeshine that the grown-up generations of Germans has been pathetically trying to blot out of its memory for 30-odd years, and continued: "We must concede with the greatest pain that, albeit with the most terrifying goals and with the worst instruments, in the final analysis, it was first (Nazi Finance Minister) Schacht and Hitler who drew the correct consequences from the monetary standpoint."

Nobody batted an eyelash as the Social Democratic Chancellor authored Hitler's finest hour in the parliamentary chambers of the postwar Federal Republic. He was followed by a pathetic Herbert Wehner, the Social Democratic Party's (SPD) organizational work horse and chief of the parliamentary fraction. Attempting to defend Schmidt, old Wehner howled: "This is neither one party's state, nor is it the state of one class; it is a blessing that the Federal Republic of Germany exists and that we have the opportunity to work for this state." Having thus raised the spectre of Hitler's *Volksstaat*, Wehner called on all to rally behind the Leader Schmidt; "If we didn't have Helmut Schmidt, the consequences of the international economic collapse would have fallen on the backs of the working class." As for himself, "I will regret for the rest of my life the fact that I was once a Communist," he said referring to his Communist party membership in the prewar period.

The chiefs of the other parliamentary parties, neo-nazi Franz-Josef Strauss of the Christian Social Union (CSU),

Hans Dietrich Genscher of the Free Democrats (FDP) followed with raving anti-Communist speeches, solemn promises that West Germany is not going to allow any West European country to have Communists in their government (an allusion to Italy's tragic situation), and threats of thermonuclear confrontation aimed at the Soviet Union.

On Orders From Wall Street

It should come as no surprise to anybody that West Germany's budget debate at this time is being conducted in military terms. This, after all, is what Helmut Schmidt characterized as Hitler's "correct consequences from the monetary standpoint." Yet, it has now become impossible for the contemporary observer to miss what most of Hitler's contemporaries were ignorant of; i.e. the fact that Germany now, as then, is moving toward the "final solution" of the economic depression on direct orders from the Rockefeller-led faction of New York financiers.

Advance intelligence monitored by the Labor Committees over the last weekend indicated that virtually all the New York banking officials heading up European operations were "in Europe" or on their way there. Even though little direct evidence of their activities there is known even at this time, their New York headquarters displayed no hesitation in expressing their enthusiasm for Chancellor Schmidt's defense of Hitler. The consensus was summarized best by a certain Mr. Kurse of Henry Kissinger's State Department; "Whether you like it or not, Hitler and Schacht figured out how to solve the crisis ... It's not shocking, simply a historical fact. In that particular crisis, Hitler and his boys got us out of the doldrums."

Rockefeller on the War Path

For those in responsible political circles in the United States who would still wish to act like the proverbial "good Germans" of the Third Reich, and continue their parliamentary ostrich games claiming that they "didn't know," no margins for evasion are left. The Nazi monstrosity that is now rearing its head to proclaim Hitlerian economics as the official policy of the West German government is explicitly the creation of the Rockefeller-Kissinger faction within the present Ford Administration. Long known to pursue the special debt-collecting assignments from New York banks, Rockefeller and his underling Kissinger have motivated their slumbering Nazi beasts in West Germany to complement their intense efforts for a NATO military takeover in Italy, a thermonuclear war confrontation in the Middle East, and a complete usurpation of power from President Ford.

The overall target toward which all of the Rockefeller fac-

tion's activities is aimed is the imposition of Nazi dictatorships throughout the capitalist sector, and an assault against the Comecon calculated to result in a Soviet capitulation. Such an assault would result in general thermonuclear war.

There has been a total blackout of news of Helmut Schmidt's acclamation of Hitler-Schacht policies in the press both in the U.S. and West Germany press, as well as in the Rockefeller-controlled international wire services — the result of a meticulously carried out wartime news-control operation that would have made Hitler's Propaganda Minis-

ter green with envy.

Responsible representatives of West Germany's major press services, DPA and DDP admitted yesterday that they were intentionally deleting the references to Hitler and Schacht from the evening news reports on Schmidt's speech. The West German Consulate in New York reports that the Parliamentary protocol office is transmitting copies of the speech by telex internationally which are heavily edited. A spokesman of West German Radio (WDR), when asked if political circles had ordered a total blackout, replied: "That is quite possible."

Excerpts from Schmidt's Speech (in response to Herr Carstens)

...This ongoing policy toward our Eastern neighbors and also toward our DDR neighbors, who lie closest to us and for whom we have the strongest heartfelt concern, is consonant with an equally continuous and persistent policy toward the West, toward the Atlantic Alliance, and toward the European Community. The close relationship with our partners in the West has eased, for them and for us, joint control of the second great world economic crisis of this century. Such far-reaching cooperation — perhaps still in no way sufficient, but going much further than before — of the participating states has never existed previously in subduing global economic crisis, which is simultaneously a conjunctural and structural crisis of the world economy, especially if I may refer to the relationship between North and South, between industrial societies and raw materials-exporting societies. On the part of the West this cooperation took its external form — although it was also an important stage of internal development — in the world economic meeting at President Giscard d'Estaing's invitation in Rambouillet last fall. Nothing like it had ever taken place in world history. Formerly, so-called summit meetings — like Yalta, Potsdam, Teheran — addressed questions of power. That was the first time, and we contributed our share.

That was also acknowledged positively; not by you (Carstens and the CDU-CSU - Ed.), but I don't hold it against you. It is not your role to call attention to the accomplishments of this government. The entire world acknowledges that we have successfully made our expanded contribution...

It is that what you (the opposition - Ed.) sneer at with the term "debt policy," which is supposed to be disparaging, was in actuality a contribution to the economic policy of the entirety of Europe. We have increased our imports in real terms from the European countries during these two years of crisis and thereby contributed to maintaining their employment, while on the other hand our exports to those countries have unfortunately shown considerable decline because of their economic weakness, and consequently have contributed to a falling-off of employment in our export industries.

In our country we have carried on a very successful fight in relation to all comparable countries for monetary stability, Herr Professor Carstens. We have brought about the returning upswing of the German economy...

You (to Carstens) have acknowledged as a fact that the German economy is developing in an upwards direction; however, you add that this is much too expensive...I am referring to the two Center politicians Heinrich Brüning and von Papen.

These two gentlemen (Brüning and von Papen - Ed.) at that time held the opinion that, given less production and fewer business orders, and thus less tax revenue and lower contributions into the social insurance fund, state outlays and social insurance expenditures had to be cut. One emergency decree followed on the heels of another and pressed Germany ever deeper into deflationary recession.

The German Reich was not the only country which, owing to the lack of economic insight prevalent in those years, pursued this mistaken policy at that time. I do not, God knows, imply a reproach against those who today call themselves the sons or the grandsons of the leaders of that period — Herr Kohl sometimes uses such expressions. I am not making any reproaches. I am only saying that unfortunately it was (impossible to deal with) the first world economic crisis of the early 1930s and its disastrous social, economic and domestic policy consequences.

The bad thing is that, if for a moment we discount America and Roosevelt, we unfortunately have to admit deep down that, although with terrifying goals and evil instruments, in the final analysis Schacht and Hitler were the first to draw the correct conclusion from a monetary standpoint.

This time in a similar situation, as a consequence of the history of that period — we learned from the first world economic crisis — we have the many billions that our employees saved at the banks and savings associations, the many millions our pensioners saved. And, they have saved, pensioners can also save; they have never been so well off as they are at present...

Along with all the fears that the individual European economies are currently drawing away from each other — even though they have never been so closely tied to each other in the Common Market and so interdependent — there are also positive aspects like the entry of Great Britain, Ireland and Denmark. There are also positive aspects in individual countries. I feel greatly encouraged, not only for England's sake but also in the interest of the Community as a

whole and in the interest of German full employment, that an English government has now succeeded in more or less continuing what its predecessor accomplished: that is, a 12 month social contract between the government and the trade unions, which is certain to make an essential contribution to dampening Britain's especially high inflation. That gives me a certain hope. That will not solve all England's problems. However, it contributes to an optimistic estimation of the overall state of things.

Let me also say something about the relationship to France. I think, in your opinion, ladies and gentlemen of the CDU-CSU, as in the opinion of the FDP and in the opinion of the Social Democrats, Franco-German cooperation must be as it was before, a constant, indispensable basis for work toward European unity. I assure you that this cooperation is intact. I beg of you not to stab your own government and the integrity of this cooperation in the back...

I might mention in this connection that over the past years France and Germany have successfully conducted a very parallel financial, monetary and economic policy with the result, moreover, that both here and in France it can already be seen that for 1976 we will be very close to one another in overall economic success. If I add the United States of America, you have the three countries which currently are giving the strongest upward direction to the general trend of the world economy through their own upward development.

I am convinced that it is necessary to be on the alert and not to allow the recession and stagnation still predominant in other parts of the world to lead to general European fatigue. You know — I am saying it here once more — that our immediate concepts now in effect for the immediate future are: 1) the direct election for the European Parliament within two years; 2) a broad and binding coordination of the economic policies of the member countries, in which all those who bring their economic efforts into line with those of their partners must be able to count on the Community's full support; 3) the realization of the guidelines set forth in the Tindemans Report for a European concept. In all these fields we will lose no opportunity to make constructive forward steps...

Above all, I want to repeat what I said a month ago here in the German Bundestag in a similar context, namely; the Federal Government represents the view that the Federal

Republic of Germany, that all of us, that our people must be ready — we are ready in every way — to make further financial sacrifices for the benefit of the Community or individual partner states, when the parallel efforts of the partner or of the partner state in fact provide that such sacrifice brings progress in European integration.

I emphatically do not confine this to the field of financing the EEC budget or the various funds existing there, but on the contrary I believe that other fields as well can and should be staked out in the future.

I repeat, on account of the roundabout ideas which Herr Carstens has introduced into the debate here, precisely what I said here on April 8. I warned everyone against aspiring toward a German leadership role in such an economic context or in other European contexts. This is the view of the entire Federal Government and my view as well.

At no time have we aspired to such a role; nor will we do so in the future ...

When, however, I now read in the German press or the French press that a declaration of May 5 by the French president on French defense policy expresses a deep cleavage between our two countries, that interpretation strikes me as not only malicious, but I will also say now how utterly misleading that is. President Giscard said — I will quote the translation, which I have here: "If France had a small army at this time, there would still exist only one large army in Europe, namely the German, which is based on conscription. In my opinion, it is important for the military balance on our continent that the French army have the same magnitude as the other armed power on our continent, namely the German."

Ladies and gentlemen, I may say to you that I have held this view and its formulation to be correct for a long time and that President Giscard d'Estaing and I have been united in agreement on this view and its formulation for two years. Nor is it the first time he has expressed himself in this way. It is only that in the present domestic atmosphere of both countries, suddenly a conflict of interests or even a split is made out of it.

Nevertheless, it can only lie in our common defense interests if the French state leadership has made for some time already additional efforts to expand France's conventional defense capability and in this way contribute to the conventional defense capability of all Europe.

We Are Looking Into Hell

PARIS, May 11 (IPS) — West German citizens watching their nation's parliament on their television sets today were given a direct look into hell as the West German Chancellor, Social Democrat Helmut Schmidt, tensely blurted out the fateful names, Hitler and Schacht, to identify the monetary policy he is reporting himself contemplating for the current situation.

Schmidt's awful words warn any informed person that the situation is now so far advanced that the New York Atlanticists viciously pressuring the West German government

are on the verge of actually implementing the Nazi policies of the 1933-36 period. This was directly confirmed by telephone calls to top Atlanticist banking and other spokesmen shortly after the issuance of Schmidt's remarks. Predominantly, everyone of these persons contacted in both West Germany and the U.S.A. was not only not shocked by Schmidt's outburst but calmly emphasized that he was in agreement with such policies.

In fact, that is the policy they are currently imposing upon Italy, the policy they are on the verge of imposing on West

Germany, France, and other countries — including the USA itself. This has been the policy of both the Rockefeller faction and certain groups affiliated with the Democratic party for some time. The difference between the past period and this spring is that now they are on the verge of actually attempting to put a global fascist system into effect. Now we are all looking directly into hell.

As Schmidt emphasized in his address, and as some Atlanticists contacted today also proposed, among the supporters of a Hitler-Schacht 1933-36 policies there are those wishful fools who imagine that they are merely proposing the 1933-36 policies, without the 1936-45 consequences. That is exactly what most of the same New York and London banking houses, the same West German industrial firms foolishly told themselves back in 1933 when they decided to put Schacht and Schacht's protege, Adolf Hitler, into power the first time.

It doesn't function! The establishment of fascist austerity

demands — as Social Democrat Helmut Schmidt himself emphasized in today's address — a Hitler shock. A mere Bruening regime doesn't work. However, once one accepts a fascist state, one has set into motion institutions and forces which can be stopped only by military obliteration. If 1933-36 Hitler-Schacht policies are adopted, then every horror of the Nazi regime — and much worse — will not only inevitably, but rapidly ensue, with nothing but Soviet military power to arrest it.

Fortunately, it will not be easy to impose this fascist regime. I know the U.S. working people. As they see that Nazi policies are again being proposed for Germany, they will begin to act to stop this horror with debt moratoria and other measures. France, already aroused by Franco-German diplomatic flak of recent weeks, will rise in rage against Schmidt's speech. As for the Soviet Union, Poland and other members of the Warsaw Pact, Schmidt's remarks will have incalculable political effect.

LaRouche Denounces Whorish Press Conspiracy

PARIS, May 13 — U.S. Presidential Candidate Lyndon H. LaRouche, Jr. today cited the conspiratorial blackout of Chancellor Helmut Schmidt's televised "Hitler and Schacht" statement as "proof of the extent and degradation of the international press conspiracy against the truth."

LaRouche identified the following agencies as "knowingly complicit in this monstrous fraud:" Reuters, Associated Press, United Press International, Agence France Presse, The West German Press Agency, and major metropolitan newspapers in Paris, New York City, London, Washington, and elsewhere. "What a miserable lot of press prostitutes these cowardly editors and so-called journalists have exposed themselves to be," he stated. "Where is there a press service which is believable after this disgusting exhibition? New Solidarity International Press Service is the only press service in the world which had the independence, honesty

and courage to bring this important news out into the open. Forgive me for saying what is true, but compared to IPS the rest of the journalistic profession has behaved like a bunch of cowardly pigs on this issue."

LaRouche did not include eastern European news services in quite the same category as the major press services and newspapers of western Europe and North America. "There is a deadly difference," he emphasized. "The Soviets are sitting on Schmidt's outburst for entirely different reasons than the western press network. The reasons for this would properly make most people in western Europe and North America tremble. When top Soviet leaders proceed with seeking new military ranks and appearing in public in military uniforms, their silences on certain notable developments are far more significant than anything they might say."

NY Banker Says: 'Don't Worry About W. Germany, We Control It'

May 8 (IPS) — The U.S. has a deliberate policy of keeping West Germany in the U.S. dollar system by force or arms, an International Department official for a major New York bank told a caller this week. The interview was as follows:

IPS: It is said that if hyperinflationary pressures against the Deutschmark continue, the West Germans will dump the dollar and go for a gold bloc with France, as implied in a recent call by French Gaullist leader Michel Jobert. Could you comment?

Banker: Yes, you're absolutely right, but there is one nerve we can touch and we're touching it like crazy — security. The Germans will squirm and squawk until we drag them back, kicking and screaming, into the dollar system by the short hairs. Let's call a spade a spade. Even since (former Texas Governor and Treasury Secretary) John Connally came to Europe and began saying "Isn't it curious that West Ger-

many's economic position in Europe happens to correspond to American military deployments there," it has been made clear to them that the price of being a U.S. minion in West Europe militarily is a certain economic dependence. They know it, and we know it. It means they have only partial control over their economic and monetary system... Yes, they will have to go on rolling over these mark loans to the rest of Europe, their only alternative is a Communist revolution in Italy... Yes, I suppose that will leave them no choice at a certain point, but to tighten up domestically, which is politically very painful."

IPS: "What would the Germans think of a rightward shift in Italy, the NATO coup that's being talked about?"

Banker: "Publicly they would bemoan it, but privately they would support it. They'd be overjoyed. Why? Because they can't break with the U.S. dollar, now can they."



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The Italian Earthquake Didn't Just Happen

May 14 (IPS) — Mounting scientific and other evidence points to the fact that the series of earthquakes which devastated the Friuli region of northeastern Italy, killing over 800 persons, injuring over 3,000 and leaving 100,000 homeless, was an “artificial” “natural” disaster, created and maintained by NATO. While at the present time there is only circumstantial evidence that NATO agencies directly created the earthquake itself, the fact is that the earthquake had been predicted by Italian seismologists, and no preparatory measures or even warnings were undertaken. Following the quake, the “relief” measures implemented were purposefully inadequate, designed rather to maximize the psychological impact and social destabilization of the regions affected. This artificial “natural” disaster is being used by Rockefeller-Agnelli as a pretext to militarize Italy under direct NATO control, while simultaneously discrediting the existing republican institutions as incapable of appropriate action.

The May 9 Washington Post, together with leading Italian press, reported that the Italian seismologist Raffaele Bbandi had predicted that the earthquake would occur. This capability to accurately determine the strength, time and place of an earthquake has only recently been developed, as noted in a September 1, 1975 Time magazine cover story on forecasting of earthquakes. Yet, with the information before them, the appropriate authorities failed to take any preparatory measures, or to warn the population in any way.

Suspicious Circumstances

The United States and associated NATO agencies have invested large sums in developing the capability for either creating or manipulating earthquakes. The research has been so extensive that, according to Science Magazine, virtually every earthquake seismologist in the U.S. has conducted work for the Defense Department. And a large portion of this work has been carried out under the direction of the Rockefeller controlled Rand Corporation.

While it is highly unlikely that the more direct method of catalyzing an earthquake through the detonation of underground nuclear explosions was utilized, (given the relative ease with which it could be detected), the following circumstantial evidence suggesting that method does exist:

*The Italian press has carried reports of NATO seismic

experiments with nuclear underground explosions in Sardinia.

*A leading Italian political figure, currently in the hospital following an attempt on his life, reported that he had heard rumors of nuclear underground explosions in Friuli, but at the time “he didn't believe them.”

*Reports in the Polish and Mexican press and statements by several leading geologists indicate there was a direct connection between the U.S. Colorado underground nuclear tests and the devastating Guatemala earthquake. The USLP R and D Staff will be conducting a full investigation of this “covert” use of nuclear weapons capability.

Because the earthquake was predicted, it is far more likely that, if NATO did create or manipulate the Friuli earthquake, the more sophisticated method of injecting fluids under high pressure into the ground was utilized. While according to the open literature this method has only been tentatively demonstrated experimentally (in the Rangely Chevron Oil Field experiments carried out in the late 1960's), the extensive research on this technology conducted by the Lawrence Livermore* Weapons Laboratory under the direction of Dr. Edward Teller — ostensibly for the development of in situ gassification of coal — points toward a fully operational capability. In a situation where the potential for an earthquake is known to exist, it is quite feasible that this method would provide the means for setting it off.

The circumstantial evidence pointing to this is the following:

*According to Italian press reports, including the daily Corriere della Sera of the week preceding the quake, mysterious oil drilling operations were conducted in the Friuli region by unidentified persons, or organizations.

*Italian radio reported May 7-8 that the U.S. Navy was conducting oceanographic research in the northern Adriatic which is adjacent to the Friuli region. Shipping was cordoned off from the area. Mr. Robinson of the U.S. Naval Oceanographic Office of Research categorically denied that any of the navies' 12 oceanographic research ships were in the Adriatic before, during, or after the earthquake. In recent years with the development of offshore oil drilling technology, the ability to drill thousands of feet beneath the Ocean bottom has been fully realized.

Grid of Political Developments Surrounding Friuli Disaster

One thing is absolutely certain: If Vice-President Nelson Rockefeller, Fiat owner Gianni Agnelli and their henchmen were actually able to order artificially-induced earthquakes, they would have ordered one for Italy precisely at the time that the Friuli disaster took place. The “disaster” was perfectly coherent with interests of these Atlanticists.

In late April, NATO press and other policy conduits began to clearly signal the activation of a military coup d'etat operation for resolving the issue of whether Italy would or would not pay its enormous debt to the New York commercial banks. By April 24, the appearance of such code-phrases as “state crisis” and “NATO code” had become so

frequent in the Italian coverage of leading European newspapers, that the presidential candidate of the U.S. Labor Party Lyndon H. LaRouche, Jr., issued an unqualified warning that "some Lower Manhattan financial circles" aligned "with Italy's Gianni Agnelli are now in a count down for a mooted 'military solution' to the current crisis in Italy."

By April 29-30, major cities like Milan and Rome had become the scenes of staged violent clashes between NATO and CIA-controlled countergangs of the "left" and "right." Agnelli-controlled press outlets began predicting "major violence" on May Day as a result of the tensions and conflicting demonstration scheduled by the working class and the fascist MSI. On April 30, both Milan and Rome were flooded with "carabineiri" special police, and Agnelli conduits demanded that paramilitary control be extended nationally.

In the first week of May, the first of three separate NATO maneuvers on the Italian peninsula were begun: naval maneuvers in the Mediterranean; a "simulated" land invasion of Sardinia (May 4); and "Operation Dashing Impact" to begin May 10 in the Trieste-Trento region of the northeast encompassing Friuli and the entire earthquake disaster area.

Italian military sources, however, reported a fourth set of "maneuvers" to begin in Italy May 4, whose nature, location and code-name were to remain secret.

During that week, a spate of fire-bombings and related terrorism ordered by Gianni Agnelli also began to sweep the nation, including factory bombings in Turin, Milan and the destruction of a Carabineiri barracks in Venice. "Special chemical substances," were used in the preparation of the bombs by men who were clearly militarily trained "experts."

On May 4, former Texas Governor John Connally, a member of the Rockefeller-dominated Federal Intelligence Advisory Board, joined with Clare Booth-Luce and CIA-operative of 1967 Greek coup experience, Henry Tasca, in the formation of a "Citizens Alliance for Mediterranean Freedom." CAMF's explicit purpose was "to prevent entry into the government by the Italian Communists" — whose inability to control their working class base was the publicly identified reason for Henry Kissinger's preference for the military coup option.

On May 6 at 9:00 AM, earthquake struck Friuli and the surrounding areas; by the morning of May 7, 5,000 NATO troops were already on the scene and the Ministry of the Interior's Cossiga's under-secretary, Zamberletti, had created a special commission to oversee "disaster relief" in coordination with the Roman Military General Staff and

NATO troops under the command of Rockefeller protegee, General Alexander Haig.

On May 8, 9 and 10, after-shocks ravaged the Friuli region. By this time, the region was under full military control. Over 15,000 military and paramilitary personnel in the area were dominated by U.S. and West German NATO forces but included British SAS forces of Northern Ireland "civil population control" experience. A mere few hundreds of fire-fighters have been conducting actual rescue operations, while the military has taken over food, water and medicine distribution, civilian control, population transfer and all means of transportation. Italian newspapers continuously have been reporting the "relief and rescue operations" to be so chaotic that a precise plan of chaos is strongly implied.

On May 11, new and "unexpected" earthquakes struck the south of Italy, including the cities of Naples, Taranta and Catania. Like the Friuli quakes whose epicenter was located in the Adriatic Sea, the quakes in the south spread from beneath the Jonian Sea southeast of Sicily.

On May 12-13, Nelson Rockefeller and Gianni Agnelli, personally visited the Friuli disaster area; they later held secret and unreported meetings with operations commission head Zamberletti. On the same day, a new contingent of West German NATO troops arrived in the country; with them came West German Defense Minister Leber.

On May 14, NATO agent Enrico Berlinguer of the Italian Communist Party withdrew his party's longstanding "historic compromise" policy of Communist participation in a Christian Democratic government. In its stead, Berlinguer proposed an "Emergency National Government" for crisis-management fitting all the austerity and working class "sacrifice"-related specifications laid down by Wall Street for an "autocratic fascist regime" to collect the nation's debt.

On May 15, a spokesman for Vice President Rockefeller announced that the \$25 million in U.S. earthquake relief would be administered by U.S. personnel under the direction of the CIA-controlled Agency for International Development, with AID representative Daniel Parker in charge. Parker, who had been involved in orchestrating military coups in Latin America for the CIA and who had accompanied Rockefeller on his tour of the earthquake site would be given use of U.S. military personnel to help him "disburse the aid." The government spokesman indicated that "not one penny of the aid would be touched by the corrupt Italian government." Arrangements for carrying out this operation were reportedly concluded during Rockefeller's meeting with NATO operative Zamberletti.

NATO's Earthquake-Causing Capability

The evidence that NATO in fact possesses the capability to not only capitalize upon but cause or at least focus earthquakes and other "natural" disasters (e.g., weather modification), is unannounced but well-documented in the public domain.

A leading Italian expert on earthquakes who was widely quoted as having predicted the Friuli tremors, Dr. Bendandi of the Seismology Observatory of Faenza in northern Italy,

refused comment on the possibility that NATO exercised "geothermal warfare" capabilities to cause the current Italian calamities. Mr. Bendandi was willing, however, to state his "personal conviction" that "the Guatemala earthquake last year was caused artificially by an underground atomic explosion."

That is only one of the methods under intensive study by NATO and the U.S. Defense Department for the last 20 years,

according to testimony delivered to a U.S. Senate Foreign Relations Subcommittee on Oceans and International Environment in January and March 1974 by Dr. Gordon McDonald, Vice President of the Pentagon's Institute for Defense Research.

"..Two techniques have been suggested through recent experience."

1. In the course of the underground testing of nuclear weapons at the Nevada test site, it was observed that an explosion apparently released local strain in the earth. The hypothesis is that the swift build-up of strain due to the sudden release of energy in an explosion discharges strain energy over a large volume of material."

2. Another method of releasing strain energy has appeared from pumping of underground water in the vicinity of Denver, Colorado, which has led to a series of small earthquakes. The hypothesis here is that underground water has provided local lubrication permitting adjacent blocks to slip by one another."

"The use as a weapon system of the strain energy instability within the solid earth requires an effective triggering mechanism. A scheme for pumping water seems clumsy and easily detectable. On the other hand, if the strain pattern in the crust can be accurately determined, the phased or timed release of energy from the smaller faults, designed to trigger a large fault at some distance, could be contemplated."

Mr. McDonald then elaborated on the possibilities of "secret war."

"Eventually...means other than open warfare may be used...by a nation...to create a disturbed environment for its competitors. Operations producing such conditions might be carried out covertly, since nature's great irregularity permits storms, floods, droughts, earthquakes and tidal waves to be viewed as unusual but not unexpected. Such a 'secret war' need never be declared or even known by the affected population. It could go on for years with only the security forces involved being aware of it...only after a nation was thoroughly drained would an armed takeover be attempted."

Mr. McDonald also noted that, besides their greater efficiency of destruction, these forms of unconventional warfare provide the advantage that their utilization can be undertaken secretly and therefore, against "domestic" and allied populations.

Last Spring, Soviet Head of State and Chairman of the Soviet Communist Party, Marshall Leonid Brezhnev directly warned against NATO and his own nation's development of "new weapons of mass destruction more terrible" than nuclear weapons unless strict arms limitation agreements

were reached. Soviet Ambassador to the United Nations, Adam Malik extended Brezhnev's warning in June, 1975: "Natural cataclysms can be far more destructive than even the largest thermonuclear bombs."

This Soviet emphasis on the threat posed by NATO 'geothermal warfare' development efforts was against the subject in a feature article in the April 1976 edition of the official East German publication, Deutsche Aussenpolitik (German Foreign Politics). The author, Dr. M.M. Schneider of the Central Institute of Terrestrial Physics in Potsdam, made clear his government's belief that the U.S. Defense Department and Dr. McDonald's research colleagues were more than merely "contemplating" geo-physical warfare. Referencing U.S. military use of weather modification in Vietnam, Schneider warned that "interference into the natural environment is a means to optimize both the tactical and strategic basis of military operations. But it is a blind weapon, acting against both enemy military and civilian populations...The importance attached by the Western military to environmental warfare...is indicated by the deliberations of the Vice President of the Pentagon's Institute of Defense Research, McDonald, in his 1968 book, **Unless Peach Comes** ... assessing the feasibility of developing geophysical warfare in a prognostic way."

Dr. Schneider continued: "...The elastic tensions within the upper layers of the earth due to processes of energy exchange will either be reduced slowly by flowing movements, or they are stored and accumulated up to a certain critical mass, at which point they are suddenly released as earthquakes. It is possible to trigger the accumulated energy deliberately if one injects such an amount of energy by an initial blast that the critical mass is surpassed."

In fact, since the late 1960's if not earlier, the U.S. Department of Defense Advanced Research Projects Agency (ARPA) has conducted "numerous and successful" experiments to initiate and control earthquakes. These experiments have involved both of the method "contemplated" by Dr. McDonald and outlined by Dr. Schneider: underground nuclear explosions at Colorado and Nevada testing sites, and the injection of high pressure fluids to effect "lubrication" and sudden shifts in lithospheric rocks at the Rangely Chevron Oil Fields. In fact, virtually all seismologists and geophysicists contacted by IPS in the past week have refused to comment on the possibility of NATO tampering in the Friuli earthquake, but have admitted that the capability for such tampering exists — either as the actualization of a naturally developing earthquake, or as inducement of after-shocks (as in Friuli) following an initial earthquake.

NATO's Disaster Relief Studies

Since 1969, NATO has had a special agency devoted to the study and planning of military intervention into "natural disaster areas" — the Committee for the Challenges of the Modern World (CCMS). Of startling relevance, one of the most ambitious CCMS projects began on "Disaster Assistance" — was begun in 1973 with a special emphasis on earthquakes and floods. The U.S. as "pilot" site for this project while the "co-pilot" was Italy!

The CCMS was created within NATO in 1969, following months of intensive propaganda in NATO circles favoring an agency to plan for military intervention into civilian life in cases of "natural man-made or unusual (sic)" disasters. Most of this propaganda was concentrated in the U.S: State Department Bulletin under the direction of Rockefeller family mouthpiece, Secretary of State Henry Kissinger.

Devoted to NATO's "Third Dimension" - civilian affairs -

CCMS projects and pilot programs show a heavy emphasis on disaster-related studies and "low intensity" counterinsurgency operations with these pretext. Essentially, CCMS gathers ecological, industrial and population profile data along the lines involved in the 1944-48 period of U.S.-Allied occupation of Western Europe.

In this connection, CCMS projects have involved blue-printing of military intervention on the basis of a profile of how, for example, the Italians would tend to respond to floods and earthquakes! The evident difference between the 1944-48 operations and CCMS planning is that military rules, chaos, starvation and disease are being phased in rather than out.

As a thoughtful U.S. report to a 1971 CCMS Conference on earthquakes put the matter: "The potential for serious natural disasters exists and is growing (sic)."

Prior to that announcement of NATO capability, a U.S. report published in the February 1970 NATO Review announced a "10 year CCMS research program on earthquake prediction and engineering." With Italy as a focus for the program, CCMS was joined by several universities and foundations in the effort, including the Rockefeller Foundation. Upon completion of the specific Italian pilot project in mid-1974, a CCMS report stated: "Follow-up implementation is proceeding."

The CCMS participated in an "Environment 74" conference held in Turin, Italy from May 1-10, 1974 sponsored by

the Agnelli-owned La Stampa and the Agnelli Foundation. NATO Secretary General Luns appeared at the conference May 6 — exactly two years before the Friuli earthquake — after attending a closed door meeting of the CCMS in Verona. Verona.

"NATO is not purely a military organization," Luns said referring to the CCMS, "We take on the important activities of political consultation and we do much work in the ecological and scientific fields Luns then reported that NATO was involved in studying problems involved in, among other things, providing aid in natural disasters." Italy, he reported, is actively participating in this project. The NATO Secretary's remarks were widely reported in the Italian press at the time.

A short time after Luns went public with the CCMS disaster planning, Italy became the site of a full dry-run disaster. A simulated flood "took place" in the area of the Mediterranean port city, Livorno. According to a report appearing in La Stampa, the area was taken over by Carabinieri and NATO military personnel who evacuated large numbers of civilians. These "special forces" helped set up functioning local governments, hospitals, aid stations, made preparations to administer flood relief, etc. — precisely what NATO is now handling on an extended scale in Friuli.

The Deliberate Disaster

The initial "incompetent" handling of relief for the earthquake catastrophe in northern Italy over the past week stands in marked contrast to the known operational capacity of NATO forces, as frequently demonstrated in large military maneuvers in which hundreds of thousands of troops are airlifted and relocated within 24 hours, adequate safe shelter for the troops is set up within hours, food and water are supplied, etc. NATO's bungling in the quake area can therefore only be an act of deliberate sabotage, whose aim is to set the preconditions for the acceptance of military rule by the exacerbation of existing physical and psycho-social chaos.

Even the Red Cross, which is long experienced in the kinds of chaos which "normally" accompanies disasters, has expressed shock at the degree of bungling. A Red Cross official in West Germany, interviewed by IPS five days after the quake struck, said "I've read the same reports as you have of shortages of food and supplies. But we've already sent them more than enough food and tents to take care of the (affected) population, and we're amazed that it still hasn't been delivered. We could have delivered it on site ourselves, but we were forced to funnel everything through the army (NATO) and they're not doing the job."

While the Atlanticist-controlled press attempted to blame the Italian government for bungling to maximize political chaos in the country, it is clear from initial reports that NATO forces and collaborators in especially the Interior and Defense Ministries were deliberately mis-managing the relief operation.

More than 15,000 NATO and Italian troops are in the area, "supervising" all aspects of food distribution, medical treatment, emergency housing, etc. NATO Secretary Luns has activated the NATO Center for Aid Coordination, which has directed the Civilian Emergency Plans Committee under General Alexander Haig to airlift supplies. According to on-site reports and coverage in the Italian press, the great majority of supplies have gone undelivered, many have been mismarked so that some areas have too much allotted, some areas have none, more than a week after the disaster, some

areas have not been reached at all — not even by helicopter.

Large amounts of funds, earmarked for the area, have not arrived. Millions more, supposedly sent into the area from labor organizations, charity organizations, etc., have "mysteriously" not arrived, according to local government officials in the struck province of Friuli.

Even more explicit sabotage of the on-site conditions has been documented by the Italian press. According to these reports, the bodies of hundreds of dead victims were left unburied in the streets for several days after the quake, increasing the potential for the outbreak of epidemic disease. The decontamination of wrecked buildings with quicklime was likewise unnecessarily delayed for several days, again ensuring that epidemics, such as typhoid, cholera, and dysentery, would likely spread.

NATO forces administering the "relief" have destroyed more than a hundred tons of food sent into the area, including bread, meat, and milk, saying "It is better to eliminate all that can represent a potential vehicle of contamination," but nowhere stating that any actual contamination was found.

Nor is there any attempt to relocate the hundreds of thousands of homeless victims. Zamberletti, special assistant to the Minister of the Interior Cossiga, has repeatedly issued instructions that the homeless should remain near their demolished towns, that tents will be set up, etc.

Meanwhile, the setting up of tents has been delayed. Those in tents are swimming in mud due to heavy rains. In many areas, there is still no drinkable water, forcing the populations to drink contaminated water, thereby running the risk of developing "cholera, hepatitis and typhoid," health officials in the area report.

Any such epidemic would quickly inundate the entire country since the sewers and water supply for all of Italy has been systematically destroyed in municipal austerity measures, as evidenced by the ease of spread of the 1973 cholera epidemic through Italy in which thousands were affected and hundreds perished.

Italian Press Exploits NATO Disaster To Brainwash Population Into Acceptance of Fascism

May 16 (IPS) — Italy's Atlanticist-controlled press is using the deliberate bungling by NATO "relief" troops of aid to the victims of the recent earthquake in Friuli, to exploit the psychological profile of the Italian population and subject it to fascist reorganization of the government under direct Wall Street-NATO rule.

Leading the pack of Nazi 'black propaganda' press psywar operations is *Corriere della Sera*, the prestigious Milan daily which in 1922 heralded Mussolini as the savior of Italy, signalling the go-ahead of Italian industrialists for the March on Rome.

It is not known to what extent the present campaign of necrophiliac exploitation of the horrors of Friuli — all being deceitfully blamed on the Italian republican government, which is denied by NATO all means of participating in the relief operations — was planned in advance, in an atrocious plot to force a bestialized state of mind on Italian workers. What can be ascertained is that the chief ringleaders of the

press psychological warfare operation are longtime associates of NATO and the U.S. Central Intelligence Agency with specific preparation in the art of mass brainwashing.

Franco Alberoni, the "sociologist" who writes in *Corriere* that the disaster has "calmed down political passions," is Italy's most famous brainwasher. After directing a full sociological profile on the Italian Communist and Christian Democratic parties for Rockefeller's Twentieth Century Fund in the early 1960's, Alberoni conducted a large-scale industrial brainwashing operation in Milan out of Catholic University. From there he went in 1968 to become rector of Trento University, where under his direction was spawned Italy's best-known terrorist gang, the so-called Red Brigades. The Red Brigades re-surfaced in May 1974 for a dry run of kidnappings and bombings during the period of NATO's "Modern Society" plenary in Turin, Italy; and this year spearheaded the present coup implementation with a wave of arson, terror bombings, and killings.



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Guayana's Foreign Minister Proposes To Replace IMF

The Battle For the IDB At Nairobi

May 16 (IPS) — Speaking to the May 7 plenary session of the United Nations Conference on Trade and Development, (UNCTAD) now meeting in Nairobi, Kenya, the Foreign Minister of Guyana Fred Wills proposed that the conference appoint an intergovernmental group of experts to “identify appropriate steps for the establishment of an international central bank” to replace the bankrupt New York financiers and their International Monetary Fund.

The proposal for a new, world financial institution is a further step forward out of the debate of generalized debt moratorium which is the central issue at the UNCTAD session. Attempts by U.S. Secretary of State Henry Kissinger and his State Department thugs to provoke division in the Third World, thereby avoiding the debt question and wrecking the conference, have failed. The conference debate about what to do about the Third World's \$120 billion debt began in the finance commission two days ago. All indications are that the Third World is maintaining a firm commitment to the demand for a generalized debt moratorium — a policy which Kissinger has said he rejects out-of-hand. Guyanese Foreign Minister Wills first put forward a call for the liquidation of the International Monetary Fund and the establishment of a new, international central bank at the pre-UNCTAD Third World meeting in Manila, this February. With his statements, Minister Wills is now pushing the plan one step closer to realization.

The Guyana proposal closely approximates U.S. Labor Party Presidential candidate Lyndon H. LaRouche's call for a “series of working seminars” to agree on basic measures for implementing an International Development Bank, as proposed in a special IDB Memorandum recently published by IPS.

The Labor Party's International Development Bank solution for the current depression is known and widely discussed throughout the UNCTAD delegations and the developing sector generally. The commitment to a new international financial institution to replace the IMF has been crucial in giving the developing sector delegations the political stamina to maintain a fight for debt moratorium. At this point, organizing for the IDB proposal is taking place behind-the-scenes. Developing nation discussion of the IDB have emerged publically in the form of the Wills proposal.

The Government of India this week expressed its strong support for the Wills proposal. A lengthy report on Wills speech was carried by the government news agency Samachar, and given front page coverage in the Indian government-linked National Herald and the left wing Patriot.

In Nairobi, the Indian delegation to the UNCTAD session

has denounced the “commodity indexing” schemes pushed by Kissinger. The delegation was backed by major editorials in Indian papers, which said that Kissinger proposals for an International Resources Bank “stinks.”

In his plenary speech, Foreign Minister Wills also strongly attacked Kissinger's “political method” by linking the necessity for the establishment of new financial institution to the fight against attempts by “international agencies” to destabilize the progressive governments in the Caribbean, including Guyana and Jamaica. Wills called on UNCTAD to go on record against such “destabilizations” and the promotion of “intra-regional conflicts” — an explicit denunciation by Kissinger's approach to controlling the Third World and Latin American trip in particular.

Debt The Main Issue

The Wills proposal has thus far been the high point of the ten day old conference, giving the pro-development delegations present with the political weapon to immediately free the Third World and Western Europe from the stranglehold of the dollar-based IMF. The developing countries have indicated support for the concept by holding firm in their demand for a generalized debt moratorium — the first step that must be taken in the establishment of a new international credit institution.

The conference finance commission debate on debt however has thus far been deadlocked according to numerous press reports, as the Kissinger-controlled delegations from most of the capitalist nations have refused to accept the Third World's demand for debt relief. The Mexican daily El Sol, reflecting the views of Mexico's President Echeverria, reports that there is “definitely no possibility” that the capitalist countries will agree to the developing sector debt demands.

However all attempts by the Kissinger forces to push a “case-by-case” approach to debt “relief” — in which the IMF isolates a country and imposes Schachtian-fascist austerity terms in return for a partial debt rollover — have been rejected by the Third World.

The Mexican and Indian press agree that the major issue of confrontation at the conference is the debt moratorium issue. In its May 10 lead editorial, the Journal of Commerce reluctantly admitted that a drive for debt moratorium had to be expected. The Journal characterized Kissinger's IRB and related “proposals as an attempt to deflect” that drive. The attempt, the Journal reported, “so far as we could determine, satisfied nobody.”

Speaking at the May 7 plenary session Indian Commerce Minister Chattopadhyaya slammed the Wall Street “com-

modity" schemes to jack up Third World export prices to provide the funds to meet debt service payments. Such schemes, Chattopadhyaya said, do not take into account the interests of importers, who would be hurt by a large increase in the price of raw materials. He demanded a generalized debt moratorium for the Third World, stressing that "the progress of the talks will depend on the ability of all parties" to take into account the needs of the "different economies."

The French daily, *Le Gigaro* reports that many developing sector delegations, in addition to India, have also voiced opposition to the numerous variations of Kissinger's commodity schemes floating around the conference.

The Indian government views were less diplomatically stated this week in editorials in the *National Herald* and the *Economic Times of India*. The *Herald* said that Kissinger's "oration" at the conference was "completely barren" and the resources bank "stinks in the face of the developing nations." The *Economic Times* echoed these statements.

Kissinger Blackmail

The firm stand of the developing nations has been maintained despite an extensive campaign by Kissinger to threaten and disrupt the conference. Wall Street early last week moved to cut off all credit to the three countries of the East African Community (Tanzania, Uganda, and Kenya) the *London Financial Times* reported. The World Bank cut off, meant as a genocidal lesson to the delegates gathered at Nairobi of what happens when debt is not fully repaid, followed the community's default on a measly \$750,000 interest payment to the World Bank.

The Mexican daily *Excelsior* exposed "an extensive campaign of political pressure" by the U.S. "to divide the poor countries and promote the package of proposals presented by Kissinger." The extortionist Kissinger enlisted the aid of President Ferdinand Marcos of the Philippines, a U.S. puppet regime, to organize secret meetings of select Third World representatives as a parallel meeting to the UNCTAD session. The first such counter-meeting intended to push the U.S. line was attended by 20 Third World agents and the head of UNCTAD, Gamani Corea. Meanwhile, various top State Department officials, including Assistant Secretary of State for Inter-American Affairs W. Rogers, were seen loitering around the conference hall and hotels "incognito" trying to drag Third World delegates off into dark corners to "discuss Kissinger's speech."

Kissinger's wrecking operation was exposed and denounced at the conference by Third World delegates who stressed first, that the developing countries must be united and second, that all negotiations must be multilateral, including the socialist countries. The Algerians declared that if the Third World were to sit down with any country it would not be the U.S. but the Soviet Union. Press accounts have

placed Algeria, Mexico, Jamaica, and India in the vanguard of the Third World nations opposing Kissinger's wrecking operations.

Soviets Balk

Despite this overwhelming commitment to world development and debt moratorium on the part of the developing countries, a major bloc in the path toward the realization of these aims has developed, as the Soviet Union and the other socialist countries have refused to commit their political muscle to the Third World. Not wanting to "provoke" the imperialists, the socialist countries have heeded Kissinger's warnings to adopt a low profile at the UNCTAD session.

Preliminary reports indicate that the head of the Soviet delegation, Trade Minister Patolichev did not mention the debt question or debt moratorium in his speech. Various accounts indicate that he attacked the U.S. for "attempting to unleash economic warfare" and proposed long-term trade and development agreements between the socialist, advanced and developing sectors. Such proposals, though they emphasized industrial and technological development of the Third World, are hollow without a debt moratorium.

In the finance commission, the socialist countries have de facto aligned with the capitalist nations, refusing to consider anything but "case-by-case debt relief. While voicing opposition to the incompetent commodity programs, they have refused to put forward any practical proposals in their place.

The Labor Party's International Development Bank solution for the current world depression is known and widely discussed throughout the UNCTAD delegations and the developing sector generally. The commitment to a new international financial institution to replace the IMF has been crucial in giving the developing sector delegations the political stamina to maintain a fight for debt moratorium. At this point, organizing for the IDB is taking place behind-the-scenes. Developing nation discussions of the IDB have emerged publicly in the form of the Wills proposal.

The U.S. Labor Party has circulated a memorandum to all the major developing sector nations represented at the Nairobi conference stressing that any unilateral declaration of debt moratorium by the Third World would receive overwhelming support from civil rights, trade union, and industrial layers in the United States. A moratorium on debt payments to the "Euro-dollar" market, New York banks and the IMF would immediately topple these rotting institutions and the Atlanticist machine. In the absence of support from the Comecon sector for the debt moratorium and the IDB, pro-development Third World forces rely on the organized working class support in advanced sector and especially in the U.S. to provide the muscle required to back up their drive for the realization of a new world economic order.

How the World Press Covered the Kissinger Speech at UNCTAD and Related Developments

U.S.

New York Times, May 7: "Secretary of State Henry Kissinger today outlined an intricate and comprehensive American approach to economic relations between rich and poor countries that laid heavy stress on free enterprise and private initiative.

He urged the delegates at the United Nations Conference on Trade and Development meeting here to give up slogans and instead build economic institutions...

The most dramatic of the Secretary's suggestions here was a call for the creation of an International Resources Bank....

"Significantly, Mr. Kissinger did not refer to several key

points of that package (Group of 77 demands).

In his address the Secretary said that "generalized rescheduling of debts is not the answer." He suggested instead a country-by-country review, adding that the United States "stands ready to help countries suffering acute debt service problems."

New York Times, May 7 (news analysis):The centerpiece of the Kissinger proposals, as expected, was the International Resources Bank....

With this provision as a sweetener — for commodity price stabilization is perhaps the single most important demand of the less developed countries — the Ford Administration hopes to diffuse more radical Third World proposals for "indexing"... for an "integrated commodity program"....

On the other key demands of the Group of 77 — a group that actually includes 111 of the world's poorer nations — the Kissinger message followed the same pattern of giving an inch to avoid going the mile. To sweeping calls for debt moratorium by the poorest nations and for a major debt conference later this year the United States replied by repeating its view that the debts of individual countries could be handled only on a case-by-case basis....

Washington Post, May 7:Kissinger told his wary audience of Communist, capitalist, socialist, and non-aligned nations that the United States is prepared to 'get down to business,' going beyond slogans and rhetoric. But he also warned bluntly: 'We can resist confrontation and rhetorical attacks if other nations choose that course.'...

American officials acknowledged privately that their proposals are bound to get a severe working over by the most militant nations here who are demanding much more than Kissinger offered.

The United States balked at the underdeveloped nations' demand for wholesale rescheduling of their debts to the richer nations...Kissinger said 'generalized rescheduling of debts' would "erode the creditworthiness of countries borrowing in the private capital markets."...

Kissinger's presentation was destined to fall short of the more militant developing nations expectations for 'a new international economic order.'...

One American specialist who is not a member of the official delegation said succinctly that what the United States has offered here is "a sandwich and a pickle compared to the banquet menu that many of the underdeveloped nations demand."

"The very poorest nations," this source said, "don't stand to gain on commodities — they don't have them to export in any meaningful quantity. What these nations need most he said is relief on their debts...."

Wall Street Journal, May 7: In typical Gallic fashion, France moved to upstage the U.S. on opening day of the North-South talks here.

French Finance Minister Jean-Pierre Fourcade surprised delegates by going farther than any other major developed nation has done to meet the demands of the developing nations for help in supporting commodity prices and relieving their debt burdens....

He (Fourcade) also suggested that the credit rating of poor nations could be strengthened through an international system of loan guarantees.

On debts, Mr. Kissinger didn't make any major proposals....

Mr. Kissinger laid Washington's cards down on the table yesterday morning. Warning that the U.S.'s more radical, confrontation minded members that the U.S. "could better survive a period of economic warfare" better than any other nations, the Secretary nonetheless stated that the current economic conditions provide "a brief but special opportunity to reinvigorate and improve the world's economic system."

Similarly on debts, Mr. Fourcade echoed Washington's case-by-case approach....

France

Le Nouveau Journal, May 5:the most urgent task (of the UNCTAD conference) will have to be taken first, that is to try to liquidate a disastrous financial past The Third World has found an easy solution: debt cancellation or moratorium. The industrialized countries do not agree. It would be a dangerous precedent which in the future would make any transaction impossible and would encourage those who spend too much. Thus there will be a very harsh discussion on this question, but a positive result will necessarily have to be reached because industrialized countries have no interest in having the Third World countries provoke a political explosion of which the West would be the first victim.

Le Figaro, May 11: The UNCTAD Conference ... is at a turning point. Contrary to what one might have believed, the divergences in the clan of the Western industrialized countries did not benefit the Third World Not all of them are ready to defend the common program to the end; many influential members of important delegations do not hide this fact in private. The Western countries have made proposals and have not stuck themselves in a sterile attitude of systematic refusal. The coming days should mark the beginning of true negotiations on major agenda items of the day.

Le Monde, May 10: (headlined) "Moratorium on Third World Debts — A Financial Problem Which Has Become Political" — by Paul Fabra

The demand of the developing nations for debt moratorium has up to now received less publicity in the industrialized countries than the integrated program for raw materials. Yet, the consequences it could have are of crucial importance for the evolution of the world economic and financial situation In Nairobi, industrialized countries, including France, will claim that (moratorium) measures would result in decreasing amount of resources available for the interested countries ... (They) will probably keep quiet on the detrimental effects and the grave consequences which a debt moratorium, even partial, would have, not on the borrowing countries this time but on the banking system of the lending countries. It is sufficient to recall the grave consequences which the insolvency of a number of real estate firms has had on several big American banks, to measure the effect that a default on payment from several important debtor countries could have.

In Europe the consequences would not be less serious, given the part played by French, British, German, and other banks on the Eurocredit market.

It is unlikely that decisions of concrete significance are going to be taken at Nairobi. But the demand for debt

moratorium is, according to financial circles, too important a question to be left in the hands of diplomats

This process of forced liquidation of the international debts is not over. It is practically certain that, one way or another, Third World countries will get rid of their burden. The fact that moratorium has become a political problem will undoubtedly hasten an evolution which is in any case inevitable.

Italy

La Repubblica, May 5: The first person to realize that the Nairobi date is decisive is precisely Henry Kissinger, up to now the most indifferent person regarding the drama of underdevelopment In Nairobi the Third World will formulate series of "global" demands which have already been rejected en bloc by the U.S.: the creation of a regulating fund which guarantees in an "integrated manner" the course of at least ten raw materials ... and a moratorium of the debts of the poorest countries towards the industrialized countries.

La Stampa, May 5: Kissinger stated that the U.S. will do its best to meet the economic demands of the poor countries, but he underlined the absolute need for both the rich and the poor countries to "avoid economic blocs" since any attempt to use economic blocs as a weapon will bring "grave consequences for all."

La Repubblica, May 8: The European line (at the conference) was further reinforced by the intervention of the French Minister of Finance, Jean-Pierre Fourcade, and that of the British Commerce Minister, Edmund Dell. Fourcade said that his government favors a solution to the commodities question on a "case-by-case" basis and with specific agreement. The Third World countries of the Group of 77 demand instead a global solution The French Minister also stated his opposition to the cancellation of debts demanded by the developing countries whose balance of payments are already in a difficult position The countries of the Group of 77 are also opposed to the creation of an International Resource Bank ...

Britain

Daily Telegraph, May 7: Dr. Kissinger stunned Third World delegates ... with a detailed offer of cooperation on trade and economic matters that deflated much of the anger expressed in their Manila declaration ... To judge by the tone of the Manila declaration, drafted earlier this year by the Group of 77 non-aligned nations, the numerous Third World delegations arrived ready for confrontation ... Britain and other Western countries appeared to be cool to the idea (of the IRB).

Financial Times of London, May 7: France today upstaged Dr. Kissinger by making surprise new proposals for financing world trade in raw materials only hours after the U.S. Secretary of State had presented a major new initiative ...

The French plan, which was presented as a "compromise" by Jean-Pierre Fourcade, Finance and Economics Minister, was clearly designed to be more acceptable to the Third World than Dr. Kissinger's approach

Most Third World delegates were still considering the Kissinger proposal tonight but preliminary reactions appeared negative

Financial Times of London, May 7 (column by C. Gordon Tether): "The Debts Are Crucial, Too"

The fate of the integrated plan for commodities on which the developing nations has set its heart may well be the most

important of the big political questions before the UNCTAD conference in Nairobi. But the external debt issue certainly runs a close second ...

Thus even if it were not painfully evident that a number of developing countries are already coming up to the point where they find themselves with no real option but to start defaulting on their maturing obligations it would still be necessary to think in terms of promptly organizing a drastic overhaul of this aspect of the international indebtedness problem.

There is no doubt that an assault on the problem on the scale required — and with the urgency required — can only come about as a result of a political decision to sanction some form of moratorium for poor country debts ...

It (debt moratorium) is a highly complex business that will have to be entrusted to a special conference. But it is hoped that the developing countries will maintain a firm enough front to ensure that the advanced countries will not be able to palm them off with vague promises

London Times, May 7: In addresses to the United Nations Conference on Trade and Development in Nairobi today, Britain and the United States made clear that they are unwilling to accept sweeping demands of stabilization of commodity prices and rescheduling of debts proposed by the Group of 77

Sunday Observer, May 9: In their opening statements here, the rich nations have been united in saying they want to help the poor escape from poverty. And yet they have been almost equally united in opposing the one measure that could immediately help the poor — debt relief

Observer editorial, May 9: The indebtedness of the Third World to both the West and the Soviet bloc has reached such staggering levels that many countries are now required to pay out more in interest than they receive in new aid; and the unemployment or underemployment continues to rise at a frightening rate among two-thirds of the world's population. So the Nairobi talks really do matter to us all.

London Times, May 12: The Soviet Union was also ready to discuss with the developing countries mutually acceptable solutions to the debt servicing and other financial problems of the developing countries. (Soviet Trade Minister) Patolichev complained that discrimination was still applied by rich countries in their trade with the socialist countries. To promote wider trade, his country was prepared to consider wider use of the transferable ruble in settlements with the developing countries.

Financial Times of London, May 14: "UNCTAD Deadlock Over Debts"

The crucial question of alleviating Third World debt, now running near \$140 billion, ran into heavy weather today at the first meeting of the negotiating group on finance There was little indication of how far the Western nations are prepared to go in the question of debt rescheduling with the EEC countries maintaining a tough front against the radical demands of the developing countries, but perhaps not quite as tough as the U.S.

Third World

India

Samachar (Indian government news agency) as printed front-page in the **National Herald** and **Patroit**, May 10: In one of the ministerial ... Guyana's Foreign Minister Frederick

Wills called for the abolition of the International Monetary Fund and the creation of a new, international central bank. Will's proposal countered the U.S. proposal for an International Resources Bank, adding to the attacks from the developing countries on Secretary of State Henry Kissinger ... Wills also called for increased cooperation between the socialist and developing countries

National Herald, May 10 (editorial): "Dr. K Turns His Back"

Western officials and press have been sedulously preparing the Third World for disappointment The main opposition to the Manila Declaration, representing the agreed suggestions of the Group of 77 comes from the U.S. But Dr. Kissinger's performance at Nairobi has exceeded the worst fears of the developing countries ... (he) went ahead and suggested the establishment of a privately financed resources bank ... Apart from this his 10,000 word oration was completely barren, there being no mention in it of such urgent issues as debt relief The resources bank stinks in the face of the Group of 77

Mexico

Excelsior, May 7: "Henry Kissinger today condemned the economic policy of the Third World "the United States more than any other country can survive a period of economic warfare. We know how to resist confrontation and rhetorical attacks."

... The Secretary of State denied the support of his government for a compulsory code on transfer of technology; he belittled the Third World demand for global renegotiation of developing countries' foreign debt.

El Sol, May 10: it will be difficult to arrive at really significant agreements in regard to the common fund, a code for the transfer of technology, and new terms for the amortization of the foreign debt of the developing countries. There is no possibility whatsoever that the industrialized countries will accept a moratoria on debt payments.

El Sol, May 12: After 10 days of formal and extra official discussions between delegates of 153 countries it is difficult to see any immediate success Due to splitting tactics and the introduction of political aspects that have little or nothing to do with the conference, serious negotiations are already quite backed up Thanks to the Paris conference, the industrialized countries have been able to engulf the UNCTAD meeting in a cloud of smog, and there are no reasons to think it will disappear before the end of the month

The real tone of UNCTAD up until now has been imposed by Kissinger ... whose programs have been widely picked up by the industrialized countries.

Excelsior, May 11: The United States has launched an extensive campaign of political pressure to divide the poor countries and promote the package of proposals presented by Kissinger ... Ferdinand Marcos, president of the Philippines was designated by Kissinger to propose a secret meeting of a select number of heads of Third World delegations, to elaborate Kissinger's divisive strategy; the creation of a commission parallel to the UNCTAD session dedicated exclusively to the study of the U.S. proposals made

The meetings were aimed at neutralizing criticism and achieving some form of support for Kissinger's proposals. Ambassadors Walker of Jamaica and Arredondo of Mexico held a meeting today of the Group of 77 to restrain the Kissinger-Marcos strategy Ambassador Walker, Jama-

ica's representative to Geneva (told the Group of 77) there is a need to guarantee and strengthen the unity of the developing countries and, all negotiations must be multilateral, with the representatives of the developing countries, all the industrialized countries, and all the socialist countries. The delegates of Indonesia, Ivory Coast and Peru, as spokesman for the Asian, African and Latin American countries, all supported Walker

Guyana

Sunday Chronicle, May 9: Guyana's Minister of Foreign Affairs Comrade Fred Wills called on UNCTAD to put on record the concern at efforts which are being made to destabilize certain progressive societies, including states in the Caribbean through covert and overt techniques and the promotion of regional conflict

Calling for a fundamental restructuring of the central institutions of the international monetary and financial systems to make them more responsive to the needs of the developing countries, Minister Wills recommended that the Conference appoint an intergovernmental group of experts to identify appropriate steps for the establishment of an international central bank

Soviet Union

Pravda, May 10: (Tass Release): The first days of work of the UNCTAD IV testify convincingly to the resoluteness of the developing countries to struggle for the establishment of a new world economic order, based on principles of equality and justice.

The Keynan Minister of Finances and Economic Planning M. Kibaki remarked in his speech, that the consequences of the sharp economic crisis and inflation in the Western world have a pernicious effect on the situation of the developing countries, more than 80 per cent of whose income comes from the sale of raw materials. In connection with this, the minister expressed the hopes that the Nairobi conference would adopt practical measures for the fairer distribution of income from international trade and liquidation of inequivalent exchange, which characterizes the relations between the capitalist and the developing countries.

Pravda, May 11 (text of Soviet Premier Alexi Kosygin's telegram to the conference): The present UNCTAD session has convened in a situation which is favorable for the constructive discussion of urgent questions of world trade and development. This situation is created by the process of international relaxation of tensions and the turn from confrontation to broad international cooperation.

On its part, the Soviet Union intends to do everything possible for the further normalization of international relations, and the realization of detente in concrete forms of mutually beneficial cooperation among states

... We hope that the UNCTAD IV session will make a tangible contribution to the establishment of genuinely fair and equal international economic relations. The Soviet government wishes the session's participants success in this matter.

Pravda, May 12 (TASS release): The participants of the UNCTAD IV session, taking place here, listened with great interest to the speech of the head of the Soviet delegation, Minister of Foreign Trade of the USSR, N.S. Patolichev Noting that the Soviet Union regards with understanding the complex and pressing problems which the states of Asia, Africa and Latin America face, the head of the Soviet dele-

gation spoke out in support of their resoluteness to free themselves from imperialist exploitation and control their own national wealth.

Laying out the Soviet position on concrete problems in detail, N.S. Patolichev indicated the readiness of the USSR to cooperate in a fundamental restructuring of the world raw materials market, in the creation of favorable conditions for the developing countries to expand their industrial exports, and in the formation of a technological capacity for these countries.

Developing particularly the questions of trade relations among countries with differing social-economic systems, N.S. Patolichev stressed that new possibilities in this regard were opening in connection with the results of the Conference on Security and Cooperation in Europe (CSCE) results which have a universal character.

Pravda, May 13 (commentary): The broad agenda (of the conference) includes the question of trade among countries with differing socio-economic systems.

The process of relaxation of tensions which is taking place in the world already now makes it possible to consider

fulfillable the long-ripe task of abolishing discrimination and all artificial barriers in international trade, and liquidating all manifestations of dictates and exploitation in international relations. This task, as is well known, was included in the program of further struggle for peace and international cooperation, for freedom and independence of peoples, approved by the 25th Congress of the CPSU.

.... In the progressive circles of the young independent states, it is considered an objective necessity to consolidate political, economic, trade, and scientific-technological ties with the Soviet Union and other countries of the socialist community.

In the recent period, Western attempts to lull the vigilance of the peoples and governments of the young states have been evident, attempts which employ various petty diversions and promises of financial and economic aid However such maneuvers don't fool anybody. In the countries of Asia, Africa and Latin America, there is growing conviction that the establishment of a new world economic order requires above all rejection of obsolete relations, characteristic of the colonial past.



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Neither the 'Far Right' Nor the 'Far Left' Actually Exists

by Lyndon H. LaRouche, Jr.

U.S. Labor Party Presidential Candidate

PARIS, May 9 (IPS) — It is exemplary of the want of creative mental powers among the New York Times' editorial staff that almost two centuries after the French Revolution, those editors are still attempting to explain all politics essentially in terms of the accident of the seating arrangements in the parliament of the First French Republic: "far right," "right," "center," "left," "far left," and "extreme left." Meanwhile, perhaps in credulous awe of the Times' reputation, squirrely journalists all around the world are obsessively committed to fitting most of world politics into the same set of foolish, linear categories.

Such practices ought to be promptly outlawed, not only because they are contemptibly illiterate but, under present circumstances of global crisis, downright dangerous to humanity in general. The journalists who fail to appropriate remedial-educational programs to this effect might find new employment in some simple but useful handicraft, such as basketweaving, which better suits their intellectual temperaments.

Reston, Reagan and Rockefeller

The New York Times' James "Scotty" Reston cannot suggest that we slander him by reporting him an overt admirer of Vice President Nelson Rockefeller. We do not ask Scotty to answer the query "What is Rockefeller politically?" — since the strictly scientific answer to that query has been abundantly recorded on the walls of factory latrines. We challenge the querulous Scotty to develop a consistent journalistic characterization of Rockefeller's politics according to the regrettable tired formulae to whose usages we have just raised our objections.

Nelson Rockefeller, the alleged liberal and "Bilderberger," is of course a close second to "Atheistic Communism" as an object of opprobrium among strata which Mr. Reston would ordinarily term the "extreme right." Mr. Reston would add that the ex-male model and former low-priced imitation of John Wayne, Ronald "Dutch" Reagan, is the current darling of much of this so-called "far right." Yet, Mr. Reagan is currently the pawn of Nelson Rockefeller, and the most consistent advocate of policies originating with the Rockefeller faction. What will Mr. Reston make of such ironies; will he describe Nelson Rockefeller, like Schachtian economist Milton Friedman, as a covert sponsor of the "extreme right," or will he correct his characterization of Mr. Reagan's supporters from "extreme right" to "extremely credulous?"

Of course, we are not imputing Mr. Reston's adoration of Nelson Rockefeller and Reagan's Schlesinger doctrine to the

New York Times editorial staff as a whole. During recent weeks, to be precise on this matter, each weekend the pro-Harriman pens at the New York Times have ostensibly retreated to their Friday night cocktails and Sunday sobering-up, during which absences the New York Times' pages have been somewhat dominated by Mr. Rockefeller's Reaganisms. Then, approximately beginning the Tuesday edition of the same publication, the denunciations and ridicule of Mr. Rockefeller's pet Secretary of State, Henry Kissinger, are resumed for a few days. In between, there is Mr. Sulzberger, who, to make a pun, is somewhat Balled-up, making the Rockefeller, Ball and Harriman support in the Times' editorial staff a special kind of problem in the orbits of three bodies about one another. Even so, apart from this lability in Times' foreign policy posturing, the defective usage of which we have complained is the common problem of all factions.

Metaphor and Paranoia

In strict terms of clinical psychoanalysis, the vogue in usage of the linear "far right" to "far left" formula for professed political analysis and characterization is **paranoid**. The formal, or, if you prefer strict terms, the epistemological proof of that statement is as follows.

On any agreed definition of a certain policy, it is possible and sometimes useful to employ the metaphors of First Republic parliamentary seating arrangements to describe the form of tactical commitment which various factions tend to impute to an otherwise agreed policy. The fact that the First Republic's leaders started from the same special, French-republican philosophical world-outlook permitted a meaningful distinction among the respective conservative, Jacobin and left-Jacobin factions engaged in common support of the same essential political-philosophical world-outlook. That is, where a group of factions are united by a predominant commonality of philosophical outlook, but differ in degree and form of commitment to the proposed pace of realization of such policies, a linear distinction among such factions — conservative, moderate and radical — has some usefulness as a short-hand method of description.

This same method of description fails and effects gibberish whenever the factional differences are qualitative, where fundamentally different outlooks are involved. In such cases, whether one is relatively moderate, militant or radical in advocacy of one's views has very little relevance respecting the contrast of that broad outlook with the variously mode-

rate, militant and radical advocacies for an entirely different set of views.

The case of the Labor Committees is the most dramatic proof of that.

The Labor Committees are Marxian socialists, whose principal U.S. affiliation is the U.S. Labor Party, a body which overall does not embody a commitment to explicitly socialist views but is essentially simply a body dedicated to the political expression of the self-interests of working people and farmers. Thus, relative to doctrinaires, the professedly Marxist sects, like the DeLeonist Socialist Labor Party or the Healyite Workers' Party, the Labor Committees are meaninglessly seen as extreme moderates, and thus subject to the childish epithet of "right-wing revisionists" from such quarters.

Tactically, the Labor Committees are sometimes allied with explicitly pro-capitalist currents and factions. In some instances, this tactical alliance is limited to specific urgent issues, and on others more durable issues of general national policies. Yet, in defiance of childish schematization, the Labor Committees not only denounce but are bitterly opposed to the type of so-called "historical compromise" governments which are the adopted policies of the Communist Party of Italy.

These tactical alliances with pro-capitalist and capitalist factions in the advanced-capitalist sector and with various kinds of bonapartist factions otherwise illuminate the more relevant working point to be made. What is the dividing-line, so to speak, which differentiates which capitalists the Labor Committees collaborate with tactically, and which capitalist and professedly, socialist factions the Labor Committees regard as the actual or potential enemies of humanity at this juncture?

Expressed in that way, the appropriate method of distinction becomes obvious. The division of the world into two principal factions, the one favoring Schachtian austerity and the other proposing global expanded reproduction as the common policy and cooperative relationship among pro-capitalist and pro-socialist forces, is the kernel of the issue and the only meaningful approach to distinctions.

For example, Rockefeller, Ronald Reagan, George Ball, the Maoists, the "Trotskyists" of the SWP and the dominant currents of the U.S. Communist Party momentarily all share the anti-development side of the factional division. Whereas, certain capitalist corporations, some major capitalist parties and fractions of such parties, leading forces of the developing sector, some Communist parties — such as that of Portugal — and the Labor Committees are all committed to a policy of expanded reproduction on a global scale.

In short, the simplistic categories of "right," "center" and "left" as used by the New York Times and other journals of the same slovenly persuasions are worse than meaningless at this juncture.

The only meaningful approach to political categories at this — or any other point in history — is that which proceeds from study of the central dividing issues of general policy at each juncture. In such a responsible approach to political analysis, one initially assorts various factions according to their tendencies to align on one or another side of the central policy issue, and then analyzes each constituent faction

sociologically and otherwise to the end of explaining how it arrives at a certain commitment and what the probable further evolution of that commitment might be.

The slovenly practice which attempts to reduce most currents to linear categories of the "far right" to "far left" form is much worse than the proverbial blunder of ignorantly confusing apples, oranges and washing machines as distinctions of mere degree. The attempt to impose a literary formula arbitrarily, without regard for reality, is literally a schizophrenic tendency, literally an expression of paranoia.

This use of the diagnosis of paranoia is not a simile or metaphor. The paranoid mind is characterized by a retreat into a caricature of childhood family life and household circles, is a mysterious, aversive domain, which the infantile mind attempts to encompass with more or less literal, propitiatory formulae. (Like the racist slander made popular in Rockefeller factional and other circles, to the effect that Italy has a crisis today essentially because (1) Italians are inherently lazy and incompetent, and (2) instead of exploiting the Italian boom frugally, every Italian worker, farmer and village donkey spent above his means in buying Maseratis, villas, and keeping movie actresses for mistresses. This is no exaggeration of the genre of the filthy, paranoid slanders one hears and reads from among leading social strata throughout Europe and in much of the leading press!) Similarly, the paranoid journalist and his editor "knows" that all politics outside the incestuous household of the journal's editorial offices is neatly assorted into degrees of the "far right" to "far left" formulation.

Parenthetical: Metaphor and Method

The problem of the paranoid journalist and editor is not that he or she is employing a metaphor in treating political phenomena. On the contrary, the mental processes associated with synthesis of metaphor and equivalent forms of ambiguities are the most immediate common expression of the same mental processes properly associated with creativity or even genius. The experience of solving an elaborately-divided jigsaw puzzle is a useful illustration of the working point.

One starts, in laying out the pieces of a jigsaw puzzle or in approaching various problems of understanding in ordinary life, with what often appears to be a hopeless confusion. One then searches for a pattern of some kind or another, such that one can begin to order one's exploratory steps in such a fashion that progress in solving the task is effected by something better than random hit-and-miss procedures. These notions of patterns and ordering-principles are abstractions roughly analogous to metaphors; they might be described as procedural recommendations for problem-solving of the form of "Think of...as..."

At a certain point in successful problem-solving efforts, initial exploratory hypotheses are replaced by a successful hypothesis. In the case of the jigsaw puzzle, the person has grasped an effective insight into the general nature of the picture to be completed, and has subsumed working hypotheses for ordering the remaining loose pieces such that solving the puzzle can now proceed in a step-by-step ordered way. This image corresponds to a metaphor.

Once such an abstraction has been advanced from mere hypothesis to a proven, practicable theory, the process of

making such a theory, such a metaphor a governing principle for corresponding practice is properly termed **reification** — a confusion of phenomenal detail has now been solved by reduction to a theoretically-sound metaphor, so that the collection of pieces is now conceptualized in a unified way, a single image, which image has been objectified by virtue of association of the image with a corresponding effective practice.

However, reification of metaphor is not therefore always a good thing in itself. There are three general grades of reification to be considered.

In the case in which a reified conception is premised on a coherent body of practice, in the sense that we seek coherence for a universal body of scientific knowledge, we are encountering human creative activities in their more advanced and most necessary form.

In a second class of reification, we have blundering of the sort we associate, in economists' usage, with "fallacy of composition." This usually signifies that some essential features of the "ground," some essential classes of phenomena, etc., have been viciously ignored in attempting to develop a conceptual insight into a problem.

In the third class of cases, we encounter what we properly define as paranoid reification, as in the case of the homicidal who kills his wife because he "knows" that his wife is really his mother in disguise. Or, more generally, in which a childhood family prejudice, a local superstition, and so forth are slyly accepted as the "real truth" to be imposed upon the "outside world."

It is the latter degree of paranoia which we meet in the slovenly journalists and editors' usages of the "far right" to "far left" linearity of political metaphors.

"Pornographic" Journalism

The paranoid disorder of the cited editors and journalists is coherent with a wretched journalist's practice popularized by the "human interest" approach to contemporary U.S. TV journalism. "Mrs. Jones, how do the people on this block feel about...?" "What do you feel that black people...?" or "Who do you feel would be the best candidate?" In short, the inherent presumption of such sodomic or "touchy-feely" journalism is that human beings have no minds, that people are merely like cattle, who "feel" but are not capable of rigorous reasoning.

Strictly speaking, such so-called journalism is close to outright brainwashing. The journalist is not only asking the individual interviewed to suppress his reason in favor of a cathexed emotional response to phenomena, but is using the implied authority of the public news media to cumulatively render the opinion that individuals' neurotically cathexed responses, and not their minds, are what society considers of social importance concerning each individual. Precisely the same method is used in explicit brainwashing techniques, as in the Tavistock-Lewinite mode of "small group" "sensitivity training" methods of induced programmed "attitudinal change" through induced paranoia and ego-stripping methods.

In a rational society, the reasoning adult is distinguished from the paranoid infantile individual most notably by the fact that he suppresses prejudices in favor of the dictates of

reason. The adult becomes an adult by repudiating those cathexed responses which he or she discovers to be irrational. The grievously-afflicted neurotic progresses toward improved powers of functioning by discovering why he is afflicted with irrational compulsions of feeling, and by strengthening rational cathexes at the expense of his irrational, neurotic's "my psychological needs." A society in which politics is regulated by cathexed feeling-responses to phenomena is a society of cattle, not human beings, a farm on the way to becoming a jungle.

This common problem of both wittingly and only credulously vicious journalists is interlinked with the vicious decay of U.S. culture during the post-war period. The idiocy of popularized child-rearing innovations typified by suburbia, combined with the lack of national goals to provide the young new citizen with a sense of purpose for life, have discredited the rule of reason, of science, in favor of petty sensuous gratification. The petit-bourgeois youth have no morality, and our increasingly lumpenized strata have been shut out from hope of a meaningful role in the advancement of the society in which they live. This pervasive moral decay of our culture, the bestialist's emphasis upon so-called "value-free" education, and so forth, has impelled our nation's suburbanite and ex-suburbanite youth away from thinking, and are transforming them from rational human beings into jungle beasts ruled by their irrational, incoherent, neurotic impulses. Journalists, members of a so-called profession which itself has been largely degraded into a mere instrument of psychological warfare against the population, have been among the leading forces in the advocacy of this general moral decay.

What does the typical journalist and editor — on performance — include among the far left?

Among the so-called "far left" he ranks the Weatherman cult, a formation organized with the aid of Ford Foundation funding, by an agency which is directly linked to the Central Intelligence Agency and National Security Council! He includes, naturally, the Maoist groups which were created, according to a formula, by the same political intelligence agencies which created the Weatherman bombers and the Lebanese Falange, under the leadership of protégés of the same CIA-associated political intelligence conduits. Not only are the facts of the CIA and related lineage in the accessible public domain — from published, official sources from which we assembled and gridded them — but the ideology of the Weatherman bombers and the principle Maoist organizations is identical with that of the European fascist movements of the 1920s. This is the typical journalists included illustration of his so-called "far left!"

The "far right" is somewhat more credible. The Ku Klux Klan was taken over by the FBI and other agencies of the same parentage during the 1960s, and FBI "stringers" have been directly involved in bombings attributed to the Ku Klux Klan. (FBI "stringers," sometimes under the thin cover of "leftism," have also attempted assassinations, and so forth.)

However, when the appellation "far right" is more broadly applied, as to the base of the 1968 Wallace movement, the idiocy of the designation becomes obvious to any competent historian or journalist. The Wallace movement of 1968 was a

populist movement, embracing both pro-socialist and pro-fascist currents in a sociologically lawful way.

The categorization of the "left" generally is sheer nonsense. First, the leading Maoist organizations of North America and Western Europe were created by Atlanticist political intelligence agencies — a documented fact of official records in the public domain — and are deployed by those political intelligence agencies. The bulk of the so-called "Trotskyist" movement was taken over, from the top down, since the end of the Second World War. Most of the official Communist parties, the CPUSA included, of the advanced-capitalist sector are also under direct control of Atlanticist or other security agencies of their respective nations. Furthermore, as the CIA's Lieutenant-General Yarborough stated publicly at a conference in Glassboro, N.J., 95 per cent of all terrorism afoot in the world today is run by the CIA, both purportedly "left" and purportedly "right" blind-terrorists alike.

Although some even significant portions of mass-based Communist, social-democratic and smaller "left" organizations are actually socialist in conviction or tendency, the overwhelming bulk of what the popular press terms the "left" is not only under top-down control of Atlanticist political intelligence agencies, but the political and social policies of these organizations and groups are either simply expressions of CIA-linked "politics of tension" destabilization scenario capabilities, or, as in the general case of U.S. Maoists or the Angela Davis wing of the U.S. Communist Party, are outrightly fascist policies in terms of the criteria used to define fascist movements during the 1920s and 1930s.

It is necessary to emphasize one point. The problem of classification of these left so-called groups is not that they are under administrative control through planted police-spies, provocateurs and so forth; the problem is that the characteristic political policies of these groups are either CIA-type "politics of tension" blind-terroristic or are otherwise explicitly fascist policies. The editor or journalist who classes the U.S. Maoists, the Communist Party or the Socialist Workers Party as variously "left" or "far left" is obviously either an idiot, a liar or simply an ignorant and incompetent fool.

This is not a formal question, but an eminently practical question. There is a profound difference in the way one ought to react to any political tendency, according to whether it expresses an independent political tendency or is merely a countergang deployed by secret police and allied agencies. Police gangs, like other "plumbers" outfits, ought to be dissolved in the urgent interests of democracy; honest independent political tendencies must have their political rights protected, also in the interests of democracy.

Nothing but confusion — even potentially dangerous — confusion — can emerge from continued efforts to superimpose the paranoid's linear categories of "right" and "left" upon the principal and auxiliary political movements and issues of the current crisis period. The only admissible broad categorizations are those which assort groups and tendencies according to their definitions of the central policy issues and their relative policies toward much defined policy issues.

Anything else is gibberish, probably dangerous gibberish.



Special Report

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Church Rips up U.S. Constitution: The Church Committee Report is a National Security Council Covert Operation

May 4 (IPS) — The Church Committee's Final Report is not only a gigantic hoax, it is a National Security Council (NSC) covert operation designed to rip up the U.S. Constitution and prepare the way for imposition of a top-down NSC police state dictatorship. The U.S. Labor Party is now in a position to fully substantiate this charge with incriminating evidence provided by the Church panel itself in its just-released Final Report of the "Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities."

Moreover, the Labor Committee's rigorous investigation into the political backgrounds and Rockefeller financial links of Senator Frank Church and his hand-picked Committee staff, and investigation into covert NSC collaboration in the preparation and release of the Committee's police state document, have developed authoritative evidence implicating Church along with fellow conspirators Nelson Rockefeller and Henry Kissinger in an insurrectionary conspiracy to seize effective power from President Ford.

Church's Final Report is a piece of outright "black propaganda" and testimony to the fact that the Church cops have joined the Rockefeller-Kissinger robbers in the biggest heist of the constitutional rights of U.S. citizens ever undertaken in this country. The Church Committee police state blueprint demands that the Congress immediately pass an "Enabling Act" institutionalizing a National Security Council-run fascist dictatorship, and even calls on Congress to beat the NSC to the punch by themselves legislating an updated version of the Nazi Legal Code!

In his Final Report, Church issues "recommendations" to speed up the official establishment of top-down Rockefeller-Kissinger dictatorship:

* The unconstitutional demand that by statute Congress explicitly empower the National Security Council — and not the president or Congress — "to direct and provide policy guidance for the intelligence activities of the United States, including intelligence collection, counterintelligence, and the conduct of covert action."

* A call for prompt Congressional legislation that would greatly expand the dictatorial power, scope of action, and size of the NSC by putting the U.S. Attorney General (currently the one-time Nazi collaborator Edward Levi) on that body. Also called for is legislation that would create several new NSC subcommittees, including an "NSC Counterintelligence Committee" and a special "Covert Action Group"; and that would eliminate Congress' lawful oversight powers and responsibilities, thereby confining Congressional oversight committees to the sole role of "being kept informed on covert action."

* An insistence that Congress swiftly pass a comprehensive, Nazi-type Espionage Law that would, among other things, make it a crime "to influence the U.S. policy-making structure" and to disseminate "information of a highly technical and strategic nature though unclassified" when this allegedly acts to the benefit of a "foreign power."

* An all-out push throughout the Report of the "Big Lie" that KGB and other foreign intelligence agents are over-running Capitol Hill, the Executive Branch, and the country. Replete with concocted espionage horror stories from the FBI and CIA files, the Report's shrill red scare line far surpasses any of the recent psychotic ravings of Nelson Rockefeller. The Report also inadvertently provides corroborating evidence that this Rockefeller-NSC red scare campaign is aimed specifically at a frame-up of the Labor Committees and the U.S. Labor Party. In line with the ongoing NSC slander that the "Labor Committees are KGB," the Report insidiously adds that "In the 1930s and 1940s the Soviet Union could rely on the support of a small but substantial group in this country who were sympathetic with its aims," but admits that the FBI considers the agent-controlled Communist Party USA no "actual espionage danger." Significantly, the Report concludes that "Nevertheless, there continues to be "hostile foreign intelligence activities" including attempts "to develop agents of influence in American politics" efforts "to influence the U.S. policy-making structure," and "efforts to penetrate the American political system."

Given the hatchet job Frank Church is performing for the NSC, it is small wonder that right-wing CIA agent and Rockefeller family flunky William F. Buckley lavishly praises the Church Committee Report and its recommendations as "serious" and "appealing" in his May 3 nationally syndicated column "Church and the CIA."

What Is Church and his Committee?

Frank Church, in a development completely unprecedented on the American political scene, received the full collaboration and cooperation of the National Security Council and the "intelligence community" in his Committees endeavors. This was, of course, in sharp contrast to the Gestapo terror treatment afforded Otis Pike and his House Intelligence Committee when they tried to fulfill their Congressional responsibility by conducting an actual investigation of the national security apparatus. Pike and his Committee were not only denied access to government documents and records, they were also psychologically and physically terrorized by NSC-directed covert agents.

Church, however, was able to graciously note in his Committees' Final Report: "There are no classes of documents

which the committee has not obtained, whether from the NSC, the personal papers of former presidents and their advisors, or as in the case of the committee's 'report on Alleged Assassination Plots Involving Foreign Leaders,' all classes of documents available in the Executive branch." The Church Committee's relationship with the nominal target of its investigation got to be such a charade that it stunk up even the cynical atmosphere of Washington. In the last days before the Final Report was due to be released, Levi and Director of Central Intelligence George Bush paid a friendly visit to Church's offices to put the final NSC imprimatur on his special operation. Frank gladly deleted the doctored "intelligence community" budget figures which the NSC feared might arouse suspicions, and he worked out his description of illegal FBI domestic operations so that would mesh more closely with that of Levi.

Who is this National Security Council agent in the U.S. Senate! Church has a long background in the employ of intelligence agencies of the U.S. government. During World War II he served in military intelligence; the 1968 Eash German publication "Who's Who in the CIA" lists Church as a CIA agent. From 1963 until 1973, Church served in the David Rockefeller-chaired fascist planning body, the Council on Foreign Relations (CFR). The only reason he left the CFR, is that his CFR membership and his blatant role as a flunky for Wall Street and Rockefeller became a public political issue in his home state of Idaho. Church is a longtime "left cover" NSC-Rockefeller operative. One of the first congressmen to oppose the Vietnam war, Church was able to position himself near contacts from Hanoi, from China, from the Soviet Union, etc., as well as near the domestic anti-war movement — where he was able to keep an eye on things and act as an NSC manipulator.

The staff that this operative in the U.S. Senate put together to run his Select Committee is one of the real giveaways that the Church Committee was an NSC covert activity. Part of the story was first exposed by New York Times columnist and former Nixon speech writer William Safire on Jan. 26, 1976. In a column entitled "All in the Family," Safire revealed that the Church Committee was, at best, a front for the Wall Street law firm Craveth, Swaine, and Moore. Safire noted the fact that F.A.O. Schwartz Jr. was both the chief counsel of the Church Committee and a top partner in Craveth, Swaine, and Moore. After detailing how much of the Church Committee staff was made up of personnel from Craveth, Swaine and Moore, Safire revealed how Church and Schwartz were covering up for still other Craveth, Swaine, and Moore partners including former Attorney General Nicholas Katzenbach and former under-Secretary of Defense Roswell Gilpatric. For example, Safire notes, Gilpatric's role in CIA assassination plots against Castro was covered up by the Committee, as was Katzenbach's unlawful police state role in suppressing the 1967 Newark and Detroit riots with federal troops.

Headed by Gilpatric, the firm is the official legal counsel for several NSC-linked corporations including the International Business Machines, Inc. In fact, as Safire points out, Craveth, Swaine and Moore is known in higher political circles as the "IBM law firm." Only slightly less well known

than its adding machine sales is IBM's role as one of the largest NSC-linked political police operations in the world. In 1946, IBM founder Thomas Watson organized a "private CIA" made up of hundreds of former agents of the Office of Strategic Services, the U.S. wartime intelligence apparatus, and then hired it out to other multinational corporations. Among its other current NSC-linked activities, IBM acts as the controller of the International Association of Chiefs of Police, which helps the CIA train foreign police services and has worked in conjunction with IBM in compiling a profile study of left groups for private security forces. The study names the National Caucus of Labor Committee's as one of the most "dangerous" of these groups.

Craveth, Swaine, and Moore also represent General Dynamics, the Columbia Broadcasting System (CBS), and CBS's chief William Paley, a Rockefeller associate and psychological warfare operative during World War II. All of these companies interlock with and are financed by the leading Rockefeller banks, including Chase Manhattan, First National City Bank, and Bankers Trust.

On top of all this is Roswell Gilpatric, who not only is former NSC man and personal friend of Nelson Rockefeller, but also was Rocky's campaign chairman in two of Rockefeller's campaigns for the governorship of New York State and was as well a leading fund raiser and supporter of the Rockefeller for President campaign in 1968.

It is most correct to say that **Craveth, Swaine and Moore** — the Rockefeller-NSC international front — actually wrote the Church Committee's Final Report: it was firm members like F.A.O. Schwartz who conducted the hearings and did the background "research work" upon which the Report is based. There was, however, some outside input ... like from the Counter Spy magazine crew of "former" intelligence agents! In its latest issue, the NSC's Counter Spy front reports that it supplied "witnesses, documentation and original research" to the Committee, and then goes on to commend the Committee for its "terrific job" of getting the CIA.

What For?

The body of the Committee's Report, including its "Recommendations," confirms the purpose of this elaborate covert operation within the U.S. Congress: the centralization, consolidation and streamlining of all intelligence, counterintelligence, covert operations and espionage — the apparatus needed for jack boot rule of this country — under the top-down control of the NSC. As justification for this, the Committee emphasizes what it calls the "vexing" differences between the CIA and the FBI on how counterintelligence — the broad euphemism for illegal domestic operations — should be run. Because these differences have gotten so bad, the Church committee recommends that: "A Subcommittee on Counterintelligence should be established within the framework of the National Security Council. Its purpose would be to monitor counterintelligence activities, authorize important counter-espionage operations and adjudicate inter-agency disagreements over counterintelligence policies, coordination, defector bona fides, suspected hostile penetrations and related matters."

In other words, the NSC through its proposed Subcommittee would be able to efficiently authorize and activate

any gestapo operation against U.S. citizens that it wanted or needed. If some sub-unit of the intelligence establishment balked at any of these measures, the Subcommittee would be in a position to quickly shut them out.

No fascist police state in history ever reached the levels of efficiency and top-down control now being demanded by the Church Committee.

Further, the Report demands that these police state reforms immediately become law. The Committee cites former Secretary of Defense Clark Clifford on the need for a fascist revision of the National Security Act of 1947: — the law which makes CIA domestic operations illegal. "It is clear that lines of authority and responsibility have become blurred and indistinct ... The National Security Council under the Act of 1947 is given the responsibility of directing our country's intelligence activities. My experience leads me to believe that this function has not been effectively performed ... The 1947 law creating the CIA should be substantially amended and a new law should be written covering intelligence functions ... A clear, more definitive bill can be prepared that can accomplish our purposes by creating clear lines of authority and responsibility and by carefully restricting certain activities we can hopefully prevent the abuses of in the past."

Having laid out its recommendations for police state, the Committee then devotes huge chunks of its Report to help create the Red Scare environment to ram such measures through. "The committee finds that the threat of hostile intelligence services is real. In the United States alone over a thousand Soviet officials are on permanent assignment... Estimates for the number of unidentified Soviet intelligence officers raises this figure to over 60 per cent ... some defector sources have estimated that 70 to 80 per cent of Soviet officials in the United States have some intelligence connections ... the opening of American deep water ports to Russian ships in 1972 have given virtually complete access to the United States' ... various exchange groups provide additional opportunity for Soviet intelligence ..."

The Committee concludes this psywar section by "independently" confirming recent psychotic outbursts by Vice President Rockefeller over alleged KGB penetration of "all levels" of government: "Foreign intelligence agents have attempted to recruit not only executive branch personnel, but also Congressional staff members. The FBI has advised the Committee that there have been instances in the past where hostile foreign intelligence officers have used the opportunity presented by overt contacts to attempt to recruit members of Congressional staffs who might have access to secret information."

The problem here again, concludes the Committee, is that America is "too free" — a line that has been a long-time favorite of Attorney Gen Levi and has come into great use especially in the last two weeks among Rockefeller conduits like philosopher-whore Sidney Hook and the New York Times' C.L. Sulzburger. Bemoaning the fact that there hasn't been espionage prosecution in the United States in over 20 years, the Committee calls for new espionage legislation which would make it a crime to discuss anything the NSC says you can't: "A recent legal analysis has observed that 'the legislation is in many ways incomprehensible.' Most notably, the espionage statutes do not make it a crime to engage in the

knowing or unauthorized transfer of classified information to foreign agents. Moreover, the statutes do not extend to a range of privately held information especially on scientific and technical matters, which would be valuable to a foreign power ... Hostile foreign intelligence activities include more than just looking for classified information or espionage recruits. Information of a highly technical and strategic nature though unclassified which is normally restricted or unavailable in other societies, is openly procurable in the United States ... foreign intelligence targets in this country may include information possessed by third nations and their representatives in the United States."

The Committee's proposed espionage act would make much of what you are reading in this newspaper — news of fusion power development or uncensored reports on NATO-CIA plans for a coup in Italy — a crime to read or discuss.

Inadvertant Slips

To give their Report the bare bones of credibility, the Committee was forced to reveal certain corroborative details on the NSC's covert network in the U.S. Mentioning no names of persons or organizations, the Report has a heavily censored section entitled "The Domestic Impact of Foreign Clandestine Operations: The CIA and Academic Institutions, the Media, and Religious Institutions" which outlines the creation of just those fascist groups upon which it now relies to help implement a police state in the U.S. The report states: "During the 1950s and 1960s, the CIA turned increasingly to covert action in the area of student and labor matters, cultural affairs, and community developments. The struggle with communism was seen to be, at center, a struggle between our institutions and theirs. The CIA subsidized, advised, and even helped develop 'private' organizations that would compete with the communists around the world. Some of these organizations were foreign; others were international; yet others were U.S.-based student, labor, cultural, or philanthropic organizations whose international activities the CIA subsidized" (emphasis-added).

"The CIA's interest," the Report continues, "in the areas of student and labor matters, cultural affairs, and community development reached a peak in the mid-1960s."

This profile fits with embarrassing precision several operations that the NSC would not like to be publicly connected to at this time — like the Institute for Policy Studies, which runs the ever-so-helpful Counter Spy network and was founded by NSC staffer Marcus Raskin in 1963. The Institute for Policy Studies was and is funded by about 30 top foundations. The Church report notes incredibly that "of the 700 grants over \$10,000 given by 164 foundations during the period 1963-1966, at least 108 involved partial or complete CIA funding."

A much more stupid slip was the Report's inclusion of details corroborating the Labor Committees' evaluation of NSC-NATO control of most Western Communist parties and agent-in-place penetration operations into the USSR and other Warsaw Pact parties.

The Report notes that: "Two significant NSC directives on covert activities were issued in 1955 ... The directive reiterated previous NSC statements that the overt foreign activities of the U.S. government should be supplemented by covert operations." The CIA authorized to:

"Create and exploit problems for International Communism.

"Discredit International Communism, and reduce the strength of its parties and organization.

"Reduce International Communist control over any areas of the world."

For example, "such (covert action) operations shall include any covert activities related to: propaganda, political action, economic warfare, preventative direct action ... subversion against hostile states or groups including assistance to underground resistance movements, guerrillas and refugee liberation groups; support of indigenous and anti-communist elements in threatened countries of the free world; deception plans and operations of all compatible activities necessary to accomplish the foregoing."

Most significantly, the report also confirms the planting of NSC-NATO "submarines" in ranking circles in the Soviet Union. In 1970 "there was a re-emphasis on collecting covert intelligence on the Soviet Union," the Committee states, adding that "Experience has shown penetration to be the most effective response to Soviet and Bloc (intelligence) services."

Get Rockefeller and Kissinger Out

The Church Committee document is, in itself, substantial evidence of an insurrectionary conspiracy against the elected government of the United States. Its careful "laundering" of Nelson Rockefeller's charge that KGB agents of influence have penetrated up to the level of the White House — charges that the insane Vice President is directly using to crush all opposition to his drive for thermonuclear war in the Mideast and a NATO coup and bloodbath in Italy — demonstrates adequately enough that the Report's purpose is to aid Rockefeller's attempt to turn the President and Congress into figureheads of a police state. Political circles close to President Ford are not unaware of this: two members of Church's Committee, Senators Barry Goldwater (R-Ariz) and John Tower (R-Tex), both staunch Ford supporters, refused to sign or support the Final Report.

To stop this insurrectionary conspiracy before it brings the world to full thermonuclear war, the forces which had the capability and motive to conduct such a hideous covert operation within the U.S. Congress must be decapitated: Put Rockefeller, Kissinger, and their NSC apparatus out of commission now!

Levi's Midwest Terrorist Network

The following Cointelpro chain of command is excerpted from U.S. Labor Party lawsuits filed in Federal Courts for the Northern District of Ohio and the Western District of Pennsylvania on May 15. The USLP is seeking a temporary restraining order against the following individuals to halt their conspiracy to harass and assassinate Labor Party candidates and organizers.

DEFENDANTS

"Right-Wing" Shock Troops

William Sickles is an Imperial Wizard of the Aryan Knights of the Ku Klux Klan, Northeastern Coordinator of the American Revolutionary Army, and a member of the Confederacy Group.

David Broderick is head of the National Revolutionary Army and an associate and agent of **William Sickles**.

Schuyler Ferris is Virginia Grand Dragon of the Ku Klux Klan and an associate and agent of **William Sickles**.

Dale Reusch is the Imperial Wizard of the Invisible Empire of the Ku Klux Klan and founded the Confederacy Group, a coalition of the National Revolutionary Army, the American Revolutionary Army, and the Klu Klux Klan among others.

Mr. Calambo is believed to be the head of a split-off group from the National Socialist White People's Party and to have attended meetings of the Confederacy Group.

Donald Fierstein threatened the life of Labor Party candidate Martin Ross.

Pat Crawley, aka "Whitey," an associate of **Phil Meier**.

Phil Meier is the Pennsylvania Regional Coordinator of the

National Revolutionary Army and shares a post office box with **William Sickles**.

Federal COINTELPRO Controllers

Mario Carcello and **Edward Slamon** are agents of the Alcohol, Tobacco and Firearms Division of the U.S. Treasury Department.

David Allen Reilly is a Special Agent of the Federal Bureau of Investigation.

Cover-up Artists

U.S. Attorneys and **FBI Supervisors** for the western District of Ohio and the Northern District of Pennsylvania, who have refused to investigate this case.

Commanders-in-Chief

Clarence Kelley is the Director of the FBI.

Edward Levi is Attorney General of the U.S.

ALLEGATIONS

During the week of May 3, 1976 members of the Confederacy Group, defendants herein, met and discussed the USLP and NCLC and their members and candidates. In the course of that discussion defendants and others conspired to disrupt and interfere with the activities and civil liberties of plaintiffs...It is believed that defendants **Phil Meier**, **David Broderick**, **Schuyler Ferris**, and **Pat Crawley** were informed of the purpose and substance of the meeting and held a subsequent meeting... These individuals are associated and in the employ of defendants **David Allen Reilly**, **Edward Slamon**, and **Mario Carcello**.

Labor Party Brings Gov't Assassination Team Into Court; Police State Drive Boxed in by Legal Offensive

by Barbara Miles

May 16 (IPS) — The most significant tribunals against the National Security Council's political assassination and murder networks will commence Wednesday, May 19 in Pittsburgh, Pa., and on an undetermined date this week in Cleveland, Ohio. The evidentiary hearings will center on U.S. Labor Party motions for temporary restraining orders and preliminary injunctions against the NSC murder networks brought to the Federal Courts. The Labor Party will present full evidence linking Ku Klux Klan and associated NSC right-wing networks to 12 assassination threats to U.S. Labor Party candidates in Ohio and Pennsylvania under direction of agents of the FBI and Alcohol, Tobacco and Firearms Division of the Treasury.

An emergency hearing on the assassination threats under the auspices of the Edward Levi-Kissinger U.S. police-state offensive is also scheduled for Reading, Pa. where many of the same defendants already named in the party's suit against NSC international terrorist gun-running operations have participated in the assassination threats to candidates and U.S. Labor Party campaign workers.

Besides the three emergency hearings, Attorney General Levi will face a battery of legal motions in the Detroit FBI and New York Freedom of Information Act cases; the amending of complaints in the Rockefeller state police files case in New York; and a similar case in New Jersey with significant information converging on the government terrorist capability.

The Labor Party this week further issued an executive letter charging the U.S. Congress to immediately act for a full emergency investigation of the National Security Council terror network. The Labor Party's full rostrum of legal actions against Rockefeller's invisible government are the enforcement of this charge to Congress. While the Church Committee on Intelligence has covered up NSC-FBI illegal terrorist operations, these networks have been deployed unhindered against the Labor Party and are the bullet behind the recent assassination threats of President Gerald Ford.

The Emergency Hearings

U.S. attorneys were pulled into Federal Courts May 17 in Cleveland and Pittsburgh to answer U.S. Labor Party emergency actions naming eight individual Ku Klux Klan members, their controllers in the FBI and Alcohol, Tobacco and Firearms Division of the Treasury in a conspiracy to assassinate the U.S. Labor Party candidates. Alan Friedman, USLP campaign coordinator for northern Ohio and Scott Brody, USLP campaign coordinator for western Pennsylvania argued *Pro se*. Despite insinuations from Assistant Attorney General Robert Keuch admitting Justice Department jurisdiction in the criminal conspiracy, Friedman and Brody informed the court that there had been no signs of FBI investigation. Friedman and Brody argued that possible Justice Department involvement in the conspiracy could only result in perpetuation of the assassination threats.

Frank Lord, Assistant U.S. Attorney in Cleveland practically confirmed this for Federal Judge Thomas by bleating,

"Look, I talked to U.S. Attorney Coleman about this, these are not death threats, where does it say here, I am going to kill you?" Judge Thomas was not convinced by this argument, forcefully reminding the U.S. Attorney to investigate. Judge Thomas ordered the case to be continued before Judge Green who will set a date for a hearing after reviewing the complaint, May 17.

Judge Marsh in Pittsburgh has set an evidentiary hearing for May 19 where the USLP will present full testimony, including expert witnesses on the Ohio-Pennsylvania conspiracy, and point to the possible involvement of Assistant Attorney General Richard Thornburgh in the assassination threats.

Judge Marsh has assured Brody that he will do everything in his power to prevent an assassination.

The Reading emergency hearings scheduled to begin May 18 before Federal Judge Mac Troutman will cover the receipt of death threats by Sam Cinger and Michael Brennan, already involved in a civil rights action against the same government plaintiffs for earlier attempted assassination activities.

While they are being exposed in court, NSC right-wing assassins are finding a Justice Department increasingly unable to protect them and an increasingly hostile political environment as traditionally right-wing organizations like the American Legion and the Veterans for Foreign Wars have been mobilized by the USLP against Rockefeller fascism.

Kicking the Corpse of the Police State

The NSC assassination network is officially in Court in three U.S. cities facing a federal judge who is rapidly being educated on the police-state conspiracy by witness after witness and full documentation. In all probability the government will try to argue that the federal judge should not hear the emergency actions. The reactions of the judge, the Congress and legal and civil rights layers throughout the country altered to the significance of these cases, to that argument is predictable and the USLP court actions this week set the stage for major motions in other party cases. Next week the following motions will also be filed to meet the government's assassination police-state capabilities:

* **New York FOIA (LaRouche v. Levi)** Action against holding of Labor Party files on the basis of national security and foreign policy dictates.): This week a motion to admit will be filed naming every FBI agent involved in harassing the LaRouche-Evans presidential campaign, citing the results of the Pittsburgh and Cleveland hearings, and including expert testimony from Church Committee documents on similar activities from the past.

The motion to admit sets the stage for a preliminary injunction hearing the next week asking the Court to bar further Justice Department harassment of the 1976 presidential campaign.

Written discovery questions are also being filed ordering the Justice Department to put up or shut up on its Smith and McCarran Act classification of the organization. The Justice Department will be forced to answer questions such as

“which foreign power controls the U.S. Labor Party?” the “legal” basis for the Smith Act classification.

* **Detroit FBI case:** The Labor Party is filing a motion to compel against the Justice Department’s stonewalling in the case, forcing FBI agents to answer questions. Simultaneously, Kelley, former Attorney General Arthur Saxbe, 12 FBI and Detroit police officials, and Vernon Michael Higgins, FBI explosives and demolitions expert will receive notices for depositions by the U.S. Labor Party attorneys.

Finally, a motion to amend the complaint in this case will expand the scope of the Federal Court inquiry now before Judge Damon Keith, to include all elements of the NSC criminal operations against the Labor Party to the date.

* **New York State Police files; LaRouche vs. Rockefeller:** This suit against Rockefeller terror operations against the New York population is being amended to include new information citing nuclear lobbyist Rep. Lawrence McDonald (D-Ga.) and the CIA’s International Association of Chiefs of Police as the Rockefeller operatives responsible for the

construction of New York’s political inquisition files.

In addition, the USLP will seek emergency relief against a similar apparatus operating through the State Police files in New Jersey.

* **McCarran Act Case:** Attorneys in Chicago are preparing a major declaratory judgment and injunction against the National Security Council, Henry Kissinger, Edward Levi, and the State and Justice Departments for classification of the NCLC and U.S. Labor Party under the McCarran Act in the Polly Skinner Johnson, Abbot Wright, and Christopher White immigration cases.

The Justice Department is aware of the threat represented by this legal offensive. Said one high government intelligence source: the “U.S. Labor Party’s legal offensive is a highly effective destabilization of the highest levels of the Justice Department. This offensive has sent paranoia throughout the government’s (drug and gunrunning) networks. The Labor Party keeps escalating its court activities and the Justice Department is hoping they can come up with some alternative.”

NATO Unleashes International Terror Campaign

May 15 (IPS) — A bloody wave of Rockefeller-ordered terrorist attacks has been launched against the populations of Western Europe and the United States. This activation of National Security Council (NSC) and NATO-controlled terrorist gangs comes less than two weeks after the Glassboro, N.J. international terrorism conference at which top NSC and NATO counterinsurgency warfare planners and field controllers were briefed in detail on the planned terrorist offensive. One of the key items at Glassboro — now in the “live” implementation phase — was the nuclear “Pearl Harbor” option which calls for the launching of a “small-scale” NATO nuclear attack against a major population center in the U.S. (or secondarily in Western Europe) which will be blamed on “KGB-controlled” terrorists and serve as a trigger for a “retaliatory” nuclear attack against the Soviet Union.

Since the Glassboro gathering, Atlanticist press sewers have been filled with planted black propaganda stories about “KGB-trained” terrorist groups holding secret planning sessions, and with lying accounts of the danger and feasibility of nuclear terrorist attacks.

Post-Glassboro Marching Orders

With Western Europe already turned into a terrorist battleground, the Rockefeller forces are moving with more caution in the U.S. — given the mass penetration of the U.S. Labor Party and the three year USLP exposure campaign against the CIA’s domestic terrorist operations. A series of public conferences, “secret” meetings, etc. have been held in the two weeks since the Glassboro event to prepare every participant on a “need to know” basis for their role in the planned terrorist offensive here:

* At meetings in St. Louis, Mo., Ohio, and Pennsylvania

this week, right-wing networks including the Ku Klux Klan, the American Nazi Party, the Minutemen, and the National Revolutionary Army were provided with a heavy infusion of money and marching orders through corporate fronts like the IBM-affiliated International Association of Chiefs of Police.

* On May 10-11, a terrorism conference in Virginia Beach, Va. brought together East Coast police officials to hear New York Police Department top counterinsurgent Harvey Schlossberg (a key coordinator of the 1974 Symbionese Liberation Army operations in California and the Munich Black September attack). Schlossberg instructed the officials in the event” teams, and repeatedly hammered into their heads that “it doesn’t matter how or why we have reached the point we are at today — where terrorism is a reality that we cannot orts on containment.” Local police officials present named the NSC-controlled Revolutionary Union (RU), the Venceremos Brigades, the Weather Underground and the American Indian Movement as expected future offenders.

* The Institute for Policy Studies — the NSC’s primary control agency for the deployment of fascist countergangs including the RU, the Black Liberation Army, the Weather Underground, etc. — held a conference in Boston May 8 which was attended by a core of secondary above-ground controllers. Explicit marching orders were given on how to “respond” to the activation of the right wing.

* The Labor Party has also learned that Charlotte FBI bureau chief Best held a conference last week with 150 local bankers and businessmen at which he “warned” them of the tremendous danger that they all face from terrorist kidnappers during the period of the Bicentennial celebrations.

Grid of NATO-NSC Terror Activation

May 14 (IPS) — *The following is a grid of NATO-National Security Council (NSC) terrorist deployments and related developments beginning May 9:*

May 9 — Ulrike Meinhof, of the NATO-controlled Baader-Meinhof terrorist gang, was found hanging in her Stuttgart prison cell.

May 10-11 — Bombings and violent demonstrations "to protest Meinhof's death" erupt against West German offices in Rome, Paris, Nimes and Stockholm, Sweden. Maoists riot in Frankfurt; five police hospitalized.

May 11 — Bolivian Ambassador to France gunned down outside his Paris office. "International Brigade of Che Guevara" claims credit for assassination. French Interior Ministry heighten domestic "security" measures.

May 11 — European Labor Party office in Stuttgart receives bomb threat.

May 12 — Seven U.S. Labor Party candidates in Ohio receive death threats in the mail (see article in this issue.)

May 12 — Maine Power and Light Co. in Augusta, Me. bombed by "Fred Hampton Brigade."

May 13 — NATO-controlled terrorist "Carlos" reported to be in Canada. Canadian police authorities issue warning of possible "terror wave."

May 13 — West German government reports 27 active members of Baader-Meinhof gang at large, backed by 4,059 sympathizers, armed with bazookas and machine guns.

May 13 — Baader-Meinhof terrorists threaten to bomb trains leaving France for West Germany. French authorities restrict train traffic to West Germany to inspect trains.

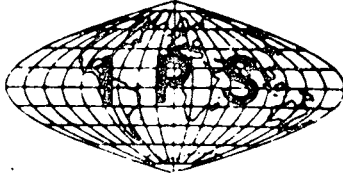
May 14 — Head of the Credit Lyonnais, second largest French bank, assassinated in Paris by anarchist-terrorist who kills self.

May 14 — Barcelona, Spain offices of West German chemical firm blown up.

May 14 — Ordine Nuova, gang of NATO-controlled fascist blackshirts, announces new terror offensive in Italy.

May 14 — Largest shopping center in Munich, West Germany is bombed.

May 14 — Milan offices of Bosch, West German manufacturing firm, are bombed.



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U.S. Press Distorts Meaning of Soviet Defense Chief's Appointment

May 15 (IPS) — On April 29, the Soviet politburo announced the appointment of Dmitri F. Ustinov as Defense Minister filling the vacancy left by the death of Marshall Andrei Grechko three days earlier. With the speed of the appointment and the qualifications of the appointee - Ustinov was the man chosen by Stalin to run Soviet war production during the second world war — the Soviets broadcast that there would be no shift whatsoever in strategic Soviet thinking. Taken with correlative policy statement published in the Soviet and Comecon sector press, the Ustinov's appointment is a warning that the Soviet Union is prepared to launch a strategic nuclear attack on the United States if pushed to the brink by Atlanticist capitalist factions.

The major press and other media in the United States, under the top-down control of both the Rockefeller and Harriman Wall Street factions, has systematically and deliberately misrepresented and therewith distorted these clear Soviet signals.

On May 5, German Democratic Republic radio attacked Schlesinger doctrine-advocate and former CIA Deputy Director Ray Cline as a man foolishly believing in "regional" nuclear war, whose influence is dangerous. On May 6, leading Pravda commentator Yuri Zhukov blasted both Cline and Rockefeller-collaborator George Ball for "playing on the brink of a hot war" in their support for the Schlesinger regional warfare doctrine. On May 8, to the accompaniment of a range of unmistakable warning speeches and articles by, variously, Soviet Deputy Defense Minister Maskalenko, Warsaw Pact chief Yakubovsky, Warsaw Pact Commander Jacobovsky, and GDR leader Willi Stoph, it was announced that Leonid Brezhnev, Soviet Head of State and Secretary-General of the Communist Party had been promoted to the full military rank of Marshall. This is the first time a Soviet civilian has taken the highest of military posts since Joseph Stalin's assumption of the rank of Marshall army command two months after the 1941 Nazi invasion of the Soviet Union.

Beginning with a mid-April Washington, D.C. conference of the American Newspaper Editors Association, addressed by Secretary of State Henry Kissinger, Kremlinologist Zbigniew Brzezinski, George Ball and other nuclear strategists and Kremlinologists, the U.S. press has engaged in systematic lying and deliberate misvaluation to the effect that each of these developments signifies Soviet commitment to a "soft-line" amenability to "regional" nuclear war.

Therefore, while a major U.S. Labor Party drive is underway to identify and root-out each and every National Security Council policy-conduit agent in the nation's media to expose and break up the censorship, the simple fact stands that IPS

in its daily and weekly editions is the only honest, accurate and reliable source of reportage and evaluation of those major new Soviet policy initiatives and personnel shifts which are so critical to the future of humanity.

The single exception to this statement has been the May 7 Chicago Tribune, whose editorial announced: "For once we agree with the U.S. Labor Party...the appointment of Ustinov...the man who impressed Stalin favorably and who built the SS-18, is certainly no harbinger of global tranquility."

The pattern emerging from a grid of U.S. press misreportage of Soviet danger signals establishes that the purpose is only secondarily to dupe and confuse the population and sane decision-makers alike; primarily, the press campaign of deception is employing conditioning techniques to create a climate in which the self-imposed insane delusions of Nelson Rockefeller, Henry Kissinger and their supporters about Schlesinger "regional" war-fighting idiocy can be imagined practical and even most clever by its proponents. Apart from IPS, the entire U.S. press has been denying the most certain of post-war facts: in a confrontation involving their strategic interests, the Soviets will unleash their entire arsenal on North America.

Following Ustinov's appointment a number of biographies of the new Soviet defense chief appeared simultaneously in major papers throughout the U.S. The general theme of the "bios" was the same: Ustinov was a civilian, he had never been in the military and thus represented a different strata of the Soviet bureaucracy than the late Marshall Grechko. All were carefully worded to imply that there existed a policy distinction between Ustinov and the notorious hard-liner Grechko leading the reader to draw the implication that Ustinov was a soft-liner, pro-detente. In some cases direct statements to that effect. Deleted from the biographies for obvious reasons was Ustinov's connections to Stalin etc.

In the cases of large newspapers such biographies, were written by the resident "Kremlin watchers". Other papers which cannot afford the luxury of carrying a State Department agent Kremlin specialist on their payrolls were conducted syndicated columns by such "luminaries" as the likes of Victor Zorsz. The biographies were backed up by brief news analysis and news articles which carried a similar slant on the "story".

The major wire services meanwhile carried news stories which contained paragraphs summarizing the misinformation in the Kremlinologist's biographies of Ustinov. These articles were then placed into the various regional and local papers. Appropriate editorials were synthesized to support

this or that particular point of misinformation all concluding (with the exception of the previously mentioned Chicago Tribune piece) that Ustinov was a "soft-liner."

The similarity between the articles and their placement throughout the press is clear indication of conspiracy to control the news around the Ustinov appointment to deliberately portray a misevaluation of its importance and meaning — a conspiracy involving major wire services, the editorial boards of major newspapers, etc.

The following selected excerpts are representative of the black propaganda concerning the Ustinov appointment.

The New York Times, Editorial, April 30

Dmitri F. Ustinov's appointment "gives the soft-liners more factional power." He was promoted to the rank of Marshall "to soften the impact" his appointment would have on the hard-line military.

The New York Times, Editorial, May 4

"As the man who presided over the arms production program, Ustinov is undoubtedly more acceptable to the military than other civilians. But at the same time, his civilian status may be intended as a signal to the U.S." indicating Soviet commitment to detente.

Washington Post, April 30, Op Ed Column by Victor Zorza.

Ustinov's appointment "does not mean the doves are on top again, but they are in a position to begin courting the U.S.

again." As military-industrial production chief under Stalin, Ustinov had the job of "trying to control the military's appetites" and "shooting down the demands" of the Red Army when "they became excessive..."

A similar pattern of misinformation - generated in the same way - has appeared in the press about Brezhnev assuming the rank of marshal. Below is a sampling.

International Herald Tribune, May 13, Column by Victor Zorza.

The appointment of Chief of State Brezhnev to the rank of Marshall and of "civilian" Dmitri Ustinov to the Defense Ministry are both a "reassertion of the soft-line." Ustinov's appointment is "analogous" to the ousting of U.S. Secretary of Defense James Schlesinger last fall. "In both cases, the hard-liners were defeated."

Chicago Tribune, May 14, Column by James Jackson.

"In the long run, Brezhnev's new military regime may bring a drastic slowdown in Soviet military growth...the Soviets have achieved parity...Brezhnev may have decided that parity is enough" and he now wishes to "rein in" the military hardliners by his own military appointment. "He will seek to only maintain parity while shifting economic resources into the sluggish civilian economy. Brezhnev can wear his Marshall's uniform but he must prove that he can make the generals salute it."



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Special Report

USLP Campaign Report: NSC Rips Up Labor Party Votes to Protect Myth of Shift to the Right

May 15 (IPS) — The following is the second in IPS continuing series of reports on the U.S. Labor Party campaign prepared by the Party's national campaign staff in New York City. This weeks report covers elections in San Francisco and Perth Amboy, N.J.

With the Republican and Democratic parties a shambles of Schachtian austerity programs and campaign phrasemongering, and voter support for the U.S. Labor Party presidential candidate Lyndon H. LaRouche, Jr. at an acknowledged 20 per cent of the population and growing, the National Security Council ordered its local affiliates to rig scheduled democratic elections in California and New Jersey yesterday. Michael Schlanger USLP candidate for Mayor of Perth Amboy, N.J., who was expected to win outright, and Pat Dolbeare, USLP candidate for State Senator in San Francisco whose vote was expected to exceed 20 per cent, received less than one half of one per cent of the vote.

The across-the-board vote fraud, carried out with absolutely no attempt to disguise the violent contradiction between the Labor Party's highly visible mass support in the two cities and the election totals, betrays the Rockefeller faction's overpowering fear that a significant Labor Party showing in either race would finish off their programmed "shift to the right" scenarios for the 1976 elections.

The Dolbeare Race

This highway robbery was still not enough to prevent Dolbeare, listed on the ballot as an independent because of restrictive state election law, from winning a spot in the June 8 runoff election. Dolbeare's 421 votes outpolled the American Independence Party candidate by 52 votes; beating out one of the state's official parties in a primary guarantees a candidate a place in the final election.

Awarded the "victory" in the 8-way race for San Francisco Mayor George Moscone's old seat was Democrat Foran, a "pro-labor" faker in the mold of AFL-CIO backed strikebreaker Moscone. The reported turnout in both San Francisco and suburban San Mateo county was less than 35 per cent, the lowest ever.

Known throughout the city as the leading spokesman for the USLP's debt moratorium campaign in support of striking San Francisco municipal workers, Dolbeare figured to pull a solid bloc of working class votes against a gaggle of Republican and Democratic baby-kissing non-entities led by Foran. The USLP was selling 750 copies of New Solidarity a week and distributed a total of 15,000 leaflets in the 200,000 person district in the two weeks before the election.

The Schlanger Race

In the working class city of Perth Amboy, where the USLP has been organizing nearly every day for the past three years, the fraud was even more blatant. The USLP has 85 per cent penetration of its propaganda in the city and in the three days before the election, the Schlanger campaign sold 400 copies of New Solidarity — approximately one for every 50 adults in the city — and distributed 2000 leaflets — one for every 10 adults. In the past three weeks, local press has carried three substantial articles on the campaign, featuring Schlanger's statement on the threat of plague, the necessity of debt moratorium, and the fight to remove Henry Kissinger. During the campaign workers have repeatedly approached Schlanger to tell him "You're the only qualified candidate."

But yesterday Schlanger was assigned the laughable total of 63 votes — no more than 7 votes in any district in the city. The voting took place in an atmosphere of general lawlessness: Labor Party pollwatchers observed open vote-buying, illegal electioneering inside the polls, and even special squads of gusanos deployed to the voting booths to tell workers, "Don't vote for the communists." Two USLP pollwatchers were arrested when they protested such practices and released without charges shortly afterwards; another pollwatcher was assaulted.

Preparatory to initiating legal action, the USLP has already gathered affidavits demonstrating fraud in two districts — in one where three USLP votes were recorded, the party has affidavits from 10 Labor Party voters; in another, where two votes were assigned, eight workers have signed affidavits.